BLACKROCK LTD DURATION INCOME TRUST
Form 4
October 17, 2014

FORM 4

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CAVANAGH RICHARD

(Last) (First) (Middle)

55 EAST 52ND STREET

(Street)

NEW YORK, NY 10055

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
BLACKROCK LTD DURATION INCOME TRUST [BLW]

3. Date of Earliest Transaction (Month/Day/Year)
10/15/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)		(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Rights (1)	(2)	10/15/2014		A		148.76		(3)	(3)	Common Stock	148.76

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CAVANAGH RICHARD 55 EAST 52ND STREET NEW YORK, NY 10055	X			

Signatures

/s/ Eugene Drozdetski as Attorney-in-Fact	10/17/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Performance Rights were accrued under the BlackRock Deferred Compensation Plan.

(2) One Performance Right is convertible into the cash value of one share of BlackRock Limited Duration Income Trust.

(3) The Performance Rights are to be settled 100% in cash at the deferral period chosen by the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. LE="border-bottom: Black 2px solid; text-align: center"> **Beneficial Interest (000)** **Value**

Capital Trusts

Commercial Banks 0.2%

Wachovia Capital Trust III, 5.57% (c)(i)

USD 1,625 $ 1,535,625

Insurance 0.8%

AXA SA, 6.46% (a)(c)(e)(i)

1,625 1,616,875

Genworth Holdings, Inc., 6.15%, 11/15/66 (c)(e)

1,850 1,609,500

Liberty Mutual Group, Inc., 7.00%, 3/07/67 (a)(c)(e)

1,575 1,598,625

4,825,000

Total Capital Trusts

6,360,625

Preferred Stocks

Shares

Auto Components 0.3%

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

10,110 1,776,201

Trust Preferreds

Diversified Financial Services 0.7%

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

175,070 4,623,325

Total Preferred Securities 2.0%

12,760,151

US Government Sponsored Agency Securities

Par
(000)
Collateralized Mortgage Obligations 0.4%

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

USD
2,789 2,985,959
Interest Only Collateralized Mortgage Obligations 1.1%
Fannie Mae Mortgage-Backed Securities, Series 2012-M9, Class X1, 4.25%, 12/25/17 (c)

20,980 2,981,226
Freddie Mac Mortgage-Backed Securities (c):

Series K707, Class X1, 1.69%, 12/25/18

43,122 2,983,116
Series K710, Class X1, 1.91%, 5/25/19

13,379 1,124,173

7,088,515
Mortgage-Backed Securities 4.7%

Fannie Mae Mortgage-Backed Securities (e):

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

8,159 8,676,075
3.50%, 8/01/26

9,339 9,792,446
Freddie Mac Mortgage-Backed Securities, 4.50%, 4/01/25 (e)

11,281 12,042,705

30,511,226
Total US Government Sponsored Agency Securities 6.2%
40,585,700

Explanation of Responses:

Warrants (m)

Shares
Software 0.0%

HMH Holdings/EduMedia, (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price $42.27)

3,100
Total Warrants 0.0%

Total Long-Term Investments
(Cost $927,856,047) 143.0%

928,401,684

See Notes to Financial Statements.

Consolidated Schedule of Investments (continued)

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

Short-Term Securities	**Shares**	**Value**
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (n)(o)	1,184,093	$ 1,184,093
Total Short-Term Securities (Cost $1,184,093) 0.2%		1,184,093

Options Purchased	**Value**
(Cost $44,978) 0.0%	$ 1
Total Investments (Cost $929,085,118) 143.2%	929,585,778
Liabilities in Excess of Other Assets (43.2)%	(280,466,191)
Net Assets 100.0%	$ 649,119,587

Notes to Consolidated Schedule of Investments

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	**Value**	**Unrealized Appreciation (Depreciation)**
Bank of America N.A.	$ 399,840	
J.P. Morgan Securities LLC	$ 4,055,873	
Merrill Lynch International	$ 469,050	

(c) Variable rate security. Rate shown is as of report date.

(d) Non-income producing security.

(e) All or a portion of securitiy has been pledged as collateral for open reverse repurchase agreements.

(f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(g) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(h) Convertible security.

(i) Security is perpetual in nature and has no stated maturity date.

(j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(k) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(l) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(m) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.

(n) Investments in issuers considered to be an affiliate of the Fund during the year ended August 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	–	**Income**

	Shares Held at August 31, 2012	Net Activity	Shares Held at August 31, 2013		Realized Gain
BlackRock Liquidity Funds, TempFund, Institutional Class	2,323,267	(1,139,174)	1,184,093	$ 6,646	$115

(o) Represents the current yield as of report date.
Reverse repurchase agreements outstanding as of August 31, 2013 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Face Value	Face Value Including Accrued Interest
UBS Securities LLC	(0.50)%	10/26/12	Open	$ 885,587	$ 881,775
Barclays Capital, Inc.	0.60%	11/16/12	Open	688,185	691,500
Credit Suisse Securities (USA) LLC	0.65%	11/19/12	Open	242,332	243,584
UBS Securities LLC	0.65%	12/06/12	Open	585,612	588,456
Barclays Capital, Inc.	0.65%	1/15/13	Open	594,529	596,987
Deutsche Bank Securities, Inc.	(0.63)%	1/15/13	Open	1,645,000	1,638,489
Deutsche Bank Securities, Inc.	(1.00)%	1/15/13	Open	581,000	577,320
Deutsche Bank Securities, Inc.	0.50%	1/15/13	Open	1,416,000	1,420,484
Deutsche Bank Securities, Inc.	0.55%	1/15/13	Open	976,000	979,400
Deutsche Bank Securities, Inc.	0.55%	1/15/13	Open	1,544,000	1,549,378
Deutsche Bank Securities, Inc.	0.55%	1/15/13	Open	289,000	290,007
Deutsche Bank Securities, Inc.	0.55%	1/15/13	Open	632,000	634,201
Deutsche Bank Securities, Inc.	0.55%	1/15/13	Open	2,496,000	2,504,694
Deutsche Bank Securities, Inc.	0.57%	1/15/13	Open	4,654,000	4,669,734
Deutsche Bank Securities, Inc.	0.57%	1/15/13	Open	303,000	304,094
Deutsche Bank Securities, Inc.	0.58%	1/15/13	Open	1,264,000	1,268,643
Deutsche Bank Securities, Inc.	0.58%	1/15/13	Open	167,000	167,613
Deutsche Bank Securities, Inc.	0.58%	1/15/13	Open	587,000	589,156
Deutsche Bank Securities, Inc.	0.58%	1/15/13	Open	1,994,000	2,001,325

See Notes to Financial Statements.

BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of August 31, 2013 were as follows (continued):

Counterparty	Interest Rate	Trade Date	Maturity Date	Face Value	Face Value Including Accrued Interest
Deutsche Bank Securities, Inc.	0.60%	1/15/13	Open	$ 1,895,000	$ 1,902,201
Deutsche Bank Securities, Inc.	0.60%	1/15/13	Open	825,000	828,135
Deutsche Bank Securities, Inc.	0.65%	1/15/13	Open	790,000	793,252
Deutsche Bank Securities, Inc.	0.65%	1/15/13	Open	445,000	446,832
Deutsche Bank Securities, Inc.	0.57%	1/17/13	Open	354,614	355,888
Deutsche Bank Securities, Inc.	0.65%	1/17/13	Open	900,900	904,592
Deutsche Bank Securities, Inc.	(0.10)%	1/18/13	Open	1,123,744	1,123,038
UBS Securities LLC	0.60%	1/20/13	Open	1,981,206	1,988,669
Deutsche Bank Securities, Inc.	0.58%	1/30/13	Open	837,630	840,518
Deutsche Bank Securities, Inc.	0.58%	1/30/13	Open	915,000	918,155
UBS Securities LLC	0.50%	1/30/13	Open	1,862,820	1,868,357
UBS Securities LLC	0.65%	1/31/13	Open	547,200	549,304
Barclays Capital, Inc.	0.35%	2/07/13	Open	3,115,905	3,122,115
Barclays Capital, Inc.	0.55%	2/07/13	Open	1,938,969	1,945,042
Barclays Capital, Inc.	0.60%	2/07/13	Open	335,729	336,876
Barclays Capital, Inc.	0.60%	2/07/13	Open	1,533,783	1,539,023
Barclays Capital, Inc.	0.60%	2/07/13	Open	592,144	594,167
Barclays Capital, Inc.	0.60%	2/07/13	Open	918,045	921,182
Barclays Capital, Inc.	0.60%	2/07/13	Open	292,304	293,303
Barclays Capital, Inc.	0.60%	2/07/13	Open	1,000,721	1,004,140
Barclays Capital, Inc.	0.60%	2/07/13	Open	633,994	636,160
Barclays Capital, Inc.	0.60%	2/07/13	Open	1,673,438	1,679,155
Barclays Capital, Inc.	0.60%	2/07/13	Open	1,877,899	1,884,315
Barclays Capital, Inc.	0.60%	2/07/13	Open	308,142	309,195
Barclays Capital, Inc.	0.60%	2/07/13	Open	507,052	508,784
Barclays Capital, Inc.	0.60%	2/07/13	Open	662,469	664,732
UBS Securities LLC	0.25%	2/07/13	Open	1,048,688	1,050,180
UBS Securities LLC	0.34%	2/07/13	Open	3,334,275	3,340,731
UBS Securities LLC	0.45%	2/07/13	Open	866,250	868,470
UBS Securities LLC	0.55%	2/07/13	Open	2,196,563	2,203,442
UBS Securities LLC	0.65%	2/07/13	Open	356,250	357,569
UBS Securities LLC	0.65%	2/07/13	Open	843,275	846,396
Deutsche Bank Securities, Inc.	0.58%	2/08/13	Open	483,060	484,655
Deutsche Bank Securities, Inc.	0.58%	2/08/13	Open	1,170,163	1,173,971
Barclays Capital, Inc.	0.60%	2/15/13	Open	291,043	292,003
UBS Securities LLC	0.65%	2/19/13	Open	166,058	166,640
Deutsche Bank Securities, Inc.	0.55%	2/20/13	Open	484,000	485,427
Deutsche Bank Securities, Inc.	0.55%	2/20/13	Open	217,132	217,773
Deutsche Bank Securities, Inc.	0.58%	2/20/13	Open	2,512,000	2,519,770
Deutsche Bank Securities, Inc.	0.55%	2/22/13	Open	509,587	511,074

Deutsche Bank Securities, Inc.	0.55%	2/22/13	Open	509,760	511,248
Deutsche Bank Securities, Inc.	0.55%	2/22/13	Open	848,076	850,551
Deutsche Bank Securities, Inc.	0.55%	2/28/13	Open	1,280,181	1,283,800
Deutsche Bank Securities, Inc.	0.55%	2/28/13	Open	107,112	107,415
Deutsche Bank Securities, Inc.	0.55%	2/28/13	Open	1,901,900	1,907,276
Credit Suisse Securities (USA) LLC	0.40%	3/07/13	Open	1,503,125	1,506,081
UBS Securities LLC	0.60%	3/12/13	Open	3,040,295	3,049,061
UBS Securities LLC	(0.50)%	3/13/13	Open	324,016	323,242
UBS Securities LLC	0.35%	3/13/13	Open	1,560,000	1,562,609
UBS Securities LLC	0.55%	3/13/13	Open	395,650	396,690
UBS Securities LLC	0.55%	3/13/13	Open	1,222,200	1,225,412
Deutsche Bank Securities, Inc.	0.55%	3/14/13	Open	760,000	761,974
Deutsche Bank Securities, Inc.	0.70%	3/14/13	Open	1,523,693	1,528,729
Deutsche Bank Securities, Inc.	0.55%	3/19/13	Open	972,625	975,092
Credit Suisse Securities (USA) LLC	0.35%	3/22/13	Open	1,496,075	1,498,446
Credit Suisse Securities (USA) LLC	0.75%	3/25/13	Open	464,337	465,885
Credit Suisse Securities (USA) LLC	0.75%	3/25/13	Open	613,725	615,771
Deutsche Bank Securities, Inc.	0.40%	3/27/13	Open	3,022,500	3,027,806
Deutsche Bank Securities, Inc.	0.55%	3/27/13	Open	1,464,750	1,468,286
Deutsche Bank Securities, Inc.	0.55%	3/27/13	Open	1,452,700	1,456,207
Deutsche Bank Securities, Inc.	0.60%	3/27/13	Open	1,634,000	1,638,276
Deutsche Bank Securities, Inc.	0.60%	3/27/13	Open	701,000	702,834
Deutsche Bank Securities, Inc.	0.60%	3/27/13	Open	919,000	921,405
Deutsche Bank Securities, Inc.	0.60%	3/27/13	Open	527,000	528,379
Deutsche Bank Securities, Inc.	0.60%	3/27/13	Open	579,000	580,515

See Notes to Financial Statements.

BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of August 31, 2013 were as follows (continued):

Counterparty	Interest Rate	Trade Date	Maturity Date	Face Value	Face Value Including Accrued Interest
Barclays Capital, Inc.	0.35%	4/02/13	Open	$ 3,649,829	$ 3,655,187
Barclays Capital, Inc.	0.40%	4/02/13	Open	3,326,900	3,332,482
Barclays Capital, Inc.	0.40%	4/02/13	Open	2,832,188	2,836,939
Barclays Capital, Inc.	0.40%	4/02/13	Open	5,871,000	5,880,850
Barclays Capital, Inc.	0.40%	4/02/13	Open	2,011,150	2,014,524
Barclays Capital, Inc.	0.60%	4/02/13	Open	3,229,256	3,237,383
Barclays Capital, Inc.	0.60%	4/02/13	Open	865,247	867,424
Barclays Capital, Inc.	0.60%	4/02/13	Open	331,500	332,334
Barclays Capital, Inc.	0.65%	4/02/13	Open	1,218,114	1,221,435
Barclays Capital, Inc.	0.65%	4/02/13	Open	1,044,544	1,047,392
Deutsche Bank Securities, Inc.	0.55%	4/02/13	Open	1,250,330	1,253,234
UBS Securities LLC	0.60%	4/02/13	Open	1,001,163	1,003,682
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	182,025	182,290
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	243,800	244,156
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	5,701,069	5,709,383
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	469,700	470,385
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	333,700	334,187
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	677,875	678,864
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	1,034,800	1,036,309
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	800,000	801,167
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	1,233,600	1,235,399
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	1,277,250	1,279,113
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	2,861,250	2,865,423
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	3,119,100	3,123,649
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	2,958,750	2,963,065
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	2,560,000	2,563,733
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	3,213,750	3,218,437
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	3,091,969	3,096,478
Credit Suisse Securities (USA) LLC	0.35%	4/03/13	Open	3,695,000	3,700,389
Deutsche Bank Securities, Inc.	0.58%	4/03/13	Open	1,482,188	1,485,793
Deutsche Bank Securities, Inc.	0.58%	4/03/13	Open	928,775	931,034
Deutsche Bank Securities, Inc.	0.58%	4/03/13	Open	1,624,500	1,628,426
UBS Securities LLC	0.55%	4/08/13	Open	2,327,500	2,332,620
Deutsche Bank Securities, Inc.	0.55%	4/10/13	Open	846,000	847,861
Deutsche Bank Securities, Inc.	0.55%	4/10/13	Open	536,000	537,179
Deutsche Bank Securities, Inc.	0.55%	4/10/13	Open	489,000	490,076
Deutsche Bank Securities, Inc.	0.55%	4/12/13	Open	2,054,000	2,058,456
Deutsche Bank Securities, Inc.	0.55%	4/12/13	Open	1,559,000	1,562,382
Deutsche Bank Securities, Inc.	(0.25)%	4/17/13	Open	690,206	689,574
Deutsche Bank Securities, Inc.	(2.00)%	4/17/13	Open	462,187	458,695

Credit Suisse Securities (USA) LLC	0.35%	4/25/13	Open	336,682	337,105
Deutsche Bank Securities, Inc.	0.55%	4/25/13	Open	248,901	249,392
Barclays Capital, Inc.	0.60%	5/07/13	Open	225,152	225,592
Barclays Capital, Inc.	0.40%	5/10/13	Open	2,061,011	2,063,622
Barclays Capital, Inc.	0.40%	5/10/13	Open	1,734,094	1,736,290
Barclays Capital, Inc.	0.40%	5/10/13	Open	1,127,019	1,128,446
Deutsche Bank Securities, Inc.	0.55%	5/14/13	Open	789,000	790,326
Credit Suisse Securities (USA) LLC	0.75%	5/23/13	Open	238,810	239,312
Deutsche Bank Securities, Inc.	0.55%	5/28/13	Open	1,037,513	1,039,034
Credit Suisse Securities (USA) LLC	0.40%	5/30/13	Open	720,960	721,713
Credit Suisse Securities (USA) LLC	0.40%	5/30/13	Open	2,333,625	2,336,062
Deutsche Bank Securities, Inc.	0.55%	5/30/13	Open	851,000	852,222
Deutsche Bank Securities, Inc.	0.55%	5/30/13	Open	1,511,000	1,513,170
Deutsche Bank Securities, Inc.	0.55%	5/30/13	Open	2,137,000	2,140,069
Deutsche Bank Securities, Inc.	0.55%	5/31/13	Open	586,181	587,014
UBS Securities LLC	0.55%	6/03/13	Open	808,520	809,632
Barclays Capital, Inc.	0.60%	6/05/13	Open	2,495,123	2,498,741
Barclays Capital, Inc.	0.60%	6/05/13	Open	2,274,166	2,277,464
UBS Securities LLC	0.55%	6/12/13	Open	864,647	865,704
Deutsche Bank Securities, Inc.	0.55%	6/13/13	Open	923,000	924,128
Deutsche Bank Securities, Inc.	0.55%	6/13/13	Open	1,041,000	1,042,256
Deutsche Bank Securities, Inc.	0.55%	6/13/13	Open	1,440,000	1,441,738
UBS Securities LLC	0.34%	6/20/13	Open	3,123,313	3,125,436
UBS Securities LLC	0.65%	6/20/13	Open	743,850	744,817
Barclays Capital, Inc.	0.44%	6/21/13	Open	1,109,299	1,110,275

See Notes to Financial Statements.

BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of August 31, 2013 were as follows (concluded):

Counterparty	Interest Rate	Trade Date	Maturity Date	Face Value	Face Value Including Accrued Interest
Barclays Capital, Inc.	0.60%	6/24/13	Open	$ 1,731,221	$ 1,733,212
Barclays Capital, Inc.	0.60%	6/24/13	Open	432,962	433,460
Barclays Capital, Inc.	0.60%	6/24/13	Open	488,876	489,438
Barclays Capital, Inc.	0.60%	6/24/13	Open	979,729	980,856
Barclays Capital, Inc.	0.60%	6/24/13	Open	2,180,349	2,182,856
Deutsche Bank Securities, Inc.	0.55%	6/24/13	Open	803,000	803,846
Deutsche Bank Securities, Inc.	0.55%	6/24/13	Open	1,316,756	1,318,144
Deutsche Bank Securities, Inc.	0.55%	6/24/13	Open	1,629,700	1,631,418
Barclays Capital, Inc.	0.60%	6/25/13	Open	434,031	434,523
Deutsche Bank Securities, Inc.	0.60%	6/25/13	Open	677,000	677,767
Deutsche Bank Securities, Inc.	0.57%	6/26/13	Open	504,000	504,527
Deutsche Bank Securities, Inc.	0.58%	6/27/13	Open	698,000	698,731
Deutsche Bank Securities, Inc.	0.55%	7/30/13	Open	1,095,000	1,095,552
Credit Suisse Securities (USA) LLC	0.55%	7/11/13	Open	6,103,050	6,107,805
Barclays Capital, Inc.	0.65%	7/12/13	Open	830,000	830,764
UBS Securities LLC	0.70%	7/18/13	Open	1,010,652	1,011,537
Deutsche Bank Securities, Inc.	0.55%	7/18/13	Open	871,000	871,599
Deutsche Bank Securities, Inc.	0.55%	8/01/13	Open	2,447,250	2,448,372
Deutsche Bank Securities, Inc.	0.65%	8/06/13	Open	508,000	508,238
Deutsche Bank Securities, Inc.	0.58%	8/12/13	Open	2,958,000	2,958,953
BNP Paribas S.A.	0.16%	8/13/13	9/17/13	29,734,000	29,736,379
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,009,000	1,009,276
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	208,000	208,057
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,295,000	1,295,355
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	616,000	616,169
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,179,000	1,179,323
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	450,000	450,123
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,288,000	1,288,353
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	137,000	137,038
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	198,000	198,054
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	311,000	311,085
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,241,000	1,241,340
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,135,000	1,135,311
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	3,135,000	3,135,859
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,107,000	1,107,303
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	780,000	780,214
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	1,169,000	1,169,320
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	948,000	948,260
Deutsche Bank Securities, Inc.	0.58%	8/13/13	Open	356,000	356,097
Deutsche Bank Securities, Inc.	0.58%	8/14/13	Open	703,000	703,204

UBS Securities LLC	0.65%	10/04/12	Open	1,637,685	1,647,472
Total				$ 272,894,359	$ 273,347,200

Financial futures contracts as of August 31, 2013 were as follows:

Contracts Purchased (Sold)	**Issue**	**Exchange**	**Expiration**	**Notional Value**	**Unrealized Appreciation (Depreciation)**
6	90-Day Euro-Dollar	Chicago Mercantile	September 2013	$ 1,496,025	$ 31,784
(122)	5-Year US Treasury Note	Chicago Board of Trade	December 2013	14,600,922	17,949
(27)	10-Year US Treasury Note	Chicago Board of Trade	December 2013	3,355,594	(1,730)
6	90-Day Euro-Dollar	Chicago Mercantile	December 2013	1,495,500	34,934
6	90-Day Euro-Dollar	Chicago Mercantile	March 2014	1,494,600	37,333
Total					$ 120,270

See Notes to Financial Statements.

Foreign currency exchange contracts as of August 31, 2013 were as follows:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	966,947	EUR	724,000	Bank of America N.A.	9/25/13	$ 10,011
USD	31,494,117	EUR	23,439,000	UBS AG	9/25/13	513,995
USD	1,443,386	CAD	1,502,000	JPMorgan Chase Bank N.A.	10/22/13	19,064
USD	257,171	GBP	169,000	Bank of America N.A.	10/22/13	(4,630)
USD	122,643	GBP	80,000	BNP Paribas S.A.	10/22/13	(1,287)
USD	934,646	GBP	600,000	BNP Paribas S.A.	10/22/13	5,174
USD	44,544,897	GBP	29,537,000	Deutsche Bank AG	10/22/13	(1,211,453)
Total						$ (669,126)

Over-the-counter options purchased as of August 31, 2013 were as follows:

Description	Counterparty	Put/ Call	Strike Price	Expiration Date	Contracts	Notional Amount (000)	Market Value
Marsico Parent Superholdco LLC	Goldman Sachs & Co.	Call	USD 942.86	12/14/19	46		$1
Total							$1

Credit default swaps buy protection outstanding as of August 31, 2013 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)		Market Value	Premiums Paid (Received)	Unrealized Depreciation
Australia & New Zealand Banking Group Ltd.	1.00%	Deutsche Bank AG	9/20/17	USD	1	$ (2)	$ 13	$ (15)
Westpac Banking Corp.	1.00%	Deutsche Bank AG	9/20/17	USD	1	(2)	13	(15)

Total	$ (4)	$ 26	$ (30)

Credit default swaps sold protection outstanding as of August 31, 2013 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating[1]	Notional Amount (000)[2]	Market Value	Premiums Received	Unrealized Appreciation (Depreciation)
Caesars Entertainment Operating Co., Inc.	5.00%	Barclays Bank PLC	9/20/15	CCC–	USD 470	$ (73,403)	$ (110,648)	$ 37,245
Caesars Entertainment Operating Co., Inc.	5.00%	Citibank N.A.	12/20/15	CCC–	USD 357	(68,038)	(91,764)	23,726
Caesars Entertainment Operating Co., Inc.	5.00%	Citibank N.A.	12/20/15	CCC–	USD 172	(32,755)	(39,588)	6,833
Caesars Entertainment Operating Co., Inc.	5.00%	JPMorgan Chase Bank N.A.	12/20/15	CCC–	USD 626	(119,134)	(180,056)	60,922
Caesars Entertainment Operating Co., Inc.	5.00%	JPMorgan Chase Bank N.A.	12/20/15	CCC–	USD 145	(27,604)	(36,166)	8,562
Caesars Entertainment Operating Co., Inc.	5.00%	UBS AG	12/20/15	CCC–	USD 840	(159,965)	(181,701)	21,736
Caesars Entertainment Operating Co., Inc.	5.00%	Barclays Bank PLC	3/20/16	CCC–	USD 75	(16,803)	(15,899)	(904)
Caesars Entertainment Operating Co., Inc.	5.00%	Barclays Bank PLC	3/20/16	CCC–	USD 72	(16,243)	(13,645)	(2,598)
Caesars Entertainment Operating Co., Inc.	5.00%	Citibank N.A.	3/20/16	CCC–	USD 79	(17,669)	(15,166)	(2,503)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/16	CCC–	USD 247	(55,585)	(59,142)	3,557
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/16	CCC–	USD 247	(55,585)	(59,142)	3,557
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/16	CCC–	USD 739	(166,410)	(168,760)	2,350
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/16	CCC–	USD 165	(37,207)	(35,883)	(1,324)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/16	CCC–	USD 634	(142,691)	(111,122)	(31,569)
Caesars Entertainment Operating Co., Inc.	5.00%	JPMorgan Chase Bank	3/20/16	CCC–	USD 82	(18,500)	(16,847)	(1,653)

Caesars Entertainment Operating Co., Inc.	5.00%	N.A. Barclays Bank PLC	6/20/16	CCC-	USD	440	(114,633)	(84,658)	(29,975)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	6/20/16	CCC-	USD	499	(130,082)	(125,174)	(4,908)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	6/20/16	CCC-	USD	970	(252,714)	(235,514)	(17,200)
Caesars Entertainment Operating Co., Inc.	5.00%	Citibank N.A.	9/20/16	CCC-	USD	330	(97,835)	(113,481)	15,646
Caesars Entertainment Operating Co., Inc.	5.00%	Barclays Bank PLC	3/20/17	CCC-	USD	72	(25,575)	(20,925)	(4,650)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/17	CCC-	USD	453	(160,367)	(125,217)	(35,150)
Caesars Entertainment Operating Co., Inc.	5.00%	Goldman Sachs International	3/20/17	CCC-	USD	147	(52,073)	(43,242)	(8,831)
Caesars Entertainment Operating Co., Inc.	5.00%	Deutsche Bank AG	6/20/17	CCC-	USD	635	(244,076)	(187,135)	(56,941)
Total							$ (2,084,947)	$ (2,070,875)	$ (14,072)

[1] Using S&P s rating of the issuer.

[2] The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

See Notes to Financial Statements.

BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access
Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund s own assumptions used in determining the fair value of investments and derivative financial instruments)

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund s policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Fund s investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		$ 23,620,776	$ 26,050,547	$ 49,671,323
Common Stocks	$ 55,481	5,405,945	3,050,139	8,511,565
Corporate Bonds		400,400,147	7,930,102	408,330,249
Floating Rate Loan Interests		290,806,332	42,689,763	333,496,095
Foreign Agency Obligations		3,393,630		3,393,630

	Level 1	Level 2	Level 3	Total
Non-Agency Mortgage-Backed Securities		71,115,205		71,115,205
Other Interests			537,766	537,766
Preferred Securities	4,623,325	8,136,826		12,760,151
US Government Sponsored Agency Securities		40,585,700		40,585,700
Short-Term Securities	1,184,093			1,184,093
Options Purchased:				
Equity Contracts		1		1
Unfunded Loan Commitments		8,388		8,388
	$ 5,862,899	$ 843,472,950	$ 80,258,317	$ 929,594,166

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments[1]				
Assets:				
Interest rate contracts	$ 122,000			$ 122,000
Foreign currency exchange contracts		$ 548,244		548,244
Credit contracts		184,134		184,134
Liabilities:				
Interest rate contracts	(1,730)			(1,730)
Foreign currency exchange contracts		(1,217,370)		(1,217,370)
Credit contracts		(198,236)		(198,236)
Total	$ 120,270	$ (683,228)		$ (562,958)

[1] Derivative financial instruments are swaps, financial futures contracts and foreign currency exchange contracts. Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

Certain of the Fund s assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign currency at value	$ 547,586			$ 547,586
Cash pledged for financial futures contracts	166,500			166,500
Cash pledged as collateral for reverse repurchase agreements	1,050,000			1,050,000
Cash pledged as collateral for over-the-counter swaps	690,000			690,000

Liabilities:				
Bank overdraft		$ (444,474)		(444,474)
Reverse repurchase agreements		(273,347,200)		(273,347,200)
Total	$ 2,454,086	$ (273,791,674)		$ (271,337,588)

See Notes to Financial Statements.

BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (concluded)

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2013.

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

	Asset-Backed Securities	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Total
nce, as of 012	$ 9,845,241	$ 2,007,283	$ 1,727	$ 38,594,979	$ 1,608,923	$ 52,058,
Level 3[1]			9,145,125	4,431,814		13,576,
of Level 3[1]	(2,321,397)			(3,935,081)		(6,256,
miums	(1,117,793)		(17,982)	114,099		(1,021,
gain (loss)	423,099	(8,077)	11,837	126,150	(5)	553,
unrealized depreciation[2]	892,404	781,693	(2,117,989)	239,738	44,096	(160,
	24,969,238	269,245	1,175,000	35,889,007		62,302,
	(6,640,245)	(5)	(267,616)	(32,770,943)	(1,115,248)	(40,794,
nce, as of 013	$ 26,050,547	$ 3,050,139	$ 7,930,102	$ 42,689,763	$ 537,766	$ 80,258,

1 As of August 31, 2012, the Trust used observable inputs in determining the value of certain investments. As of August 31, 2013, the Trust used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of $13,576,939 transferred from Level 2 to Level 3 in the disclosure hierarchy.

2 Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2013 was $(264,028).

Certain of the Fund s investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information inputs could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

Statements of Assets and Liabilities

August 31, 2013	BlackRock Defined Opportunity Credit Trust (BHL)	BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)[1]	BlackRock Limited Duration Income Trust (BLW)[1]
Assets			
Investments at value unaffiliated[2]	$ 182,349,063	$ 802,814,564	$ 928,401,685
Investments at value affiliated[3]	1,298,269	907,643	1,184,093
Cash	973,373	3,006,898	
Cash pledged for centrally cleared swaps	60,000	260,000	
Cash pledged for financial futures contracts			166,500
Cash pledged as collateral for reverse repurchase agreements			1,050,000
Cash pledged as collateral for over-the-counter swaps		960,000	690,000
Investments sold receivable	2,309,178	9,561,974	3,542,796
Interest receivable	1,051,169	4,656,219	9,570,222
Principal paydowns receivable			
Unrealized appreciation on foreign currency exchange contracts	72,285	189,431	548,244
Foreign currency at value[4]	32,152	7,309	547,586
Unrealized appreciation on swaps	15,985	128,050	184,134
Swaps receivable	8,407	54,103	88,499
Variation margin receivable on financial futures contracts			4,139
Unrealized appreciation on unfunded loan commitments	4,702	20,676	8,388
Dividends receivable			1,670
Swap premiums paid			26
Prepaid expenses	3,348	2,855	18,416
Other assets			217,967
Total assets	188,177,931	822,569,722	946,224,365
Liabilities			
Bank overdraft			444,474
Reverse repurchase agreements			273,347,200
Loan payable	49,000,000	214,000,000	
Investments purchased payable	7,899,781	33,954,126	18,833,298
Swap premiums received	208,963	1,249,424	2,070,875
Investment advisory fees payable	149,776	495,092	432,963
Income dividends payable	64,880	107,107	82,270
Unrealized depreciation on foreign currency exchange contracts	58,967	232,373	1,217,370
Interest expense payable	36,097	162,005	
Unrealized depreciation on swaps	21,709	101,467	198,236
Swaps payable			2

Officer s and Directors fees payable	2,243	9,694	264,446
Other accrued expenses payable	136,337	456,340	213,644
Variation margin payable on centrally cleared swaps	2	7	
Total liabilities	57,578,755	250,767,635	297,104,778
Net Assets	$ 130,599,176	$ 571,802,087	$ 649,119,587
Net Assets Consist of			
Paid-in capital[5,6,7]	$ 128,319,712	$ 660,069,691	$ 703,366,312
Undistributed net investment income	1,357,213	1,191,768	3,778,403
Accumulated net realized loss	(566,284)	(84,680,399)	(58,230,901)
Net unrealized appreciation/depreciation	1,488,535	(4,778,973)	205,773
Net Assets	$ 130,599,176	$ 571,802,087	$ 649,119,587
Net asset value per share	$ 14.44	$ 15.36	$ 17.54
[1]Consolidated Statement of Assets and Liabilities.			
[2]Investments at cost unaffiliated	$ 180,882,576	$ 807,739,629	$ 927,901,025
[3]Investments at cost affiliated	$ 1,298,269	$ 907,643	$ 1,184,093
[4]Foreign currency at cost	$ 32,556	$ 7,329	$ 551,470
[5]Par value per share	$ 0.001	$ 0.10	$ 0.001
[6]Shares outstanding	9,044,041	37,232,488	37,003,854
[7]Shares authorized	unlimited	200 million	unlimited

See Notes to Financial Statements.

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Statements of Operations

Year Ended August 31, 2013	BlackRock Defined Opportunity Credit Trust (BHL)	BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)[1]	BlackRock Limited Duration Income Trust (BLW)[1]
Investment Income			
Interest	$ 10,360,829	$ 43,249,907	$ 55,471,206
Dividends unaffiliated			34,968
Dividends affiliated	849	3,003	6,646
Total income	10,361,678	43,252,910	55,512,820
Expenses			
Investment advisory	1,774,436	5,563,051	5,266,960
Custodian	85,921	226,787	209,538
Professional	72,755	115,016	88,103
Reorganization		100,000	
Accounting services	31,494	89,536	79,662
Transfer agent	21,714	50,187	72,571
Officer and Directors	13,596	44,313	82,252
Borrowing costs[2]	15,483	48,363	
Registration	6,408	6,383	8,918
Printing	5,886	4,230	2,300
Miscellaneous	25,746	76,634	125,129
Total expenses excluding interest expense and income tax	2,053,439	6,324,500	5,935,433
Interest expense and fees	449,548	1,922,386	1,436,899
Income tax		55,135	300
Total expenses	2,502,987	8,302,021	7,372,632
Less fees waived by Manager	(576)	(2,006)	(5,075)
Less reorganization costs reimbursed by Manager		(100,000)	
Less fees paid indirectly			(810)
Total expenses after fees waived and/or reimbursed and paid indirectly	2,502,411	8,200,015	7,366,747
Net investment income	7,859,267	35,052,895	48,146,073
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Investments unaffiliated	3,573,939	14,612,330	16,695,318
Capital gain distributions received from affiliated investment companies	6		115
Financial futures contracts			39,819
Foreign currency transactions	(272,875)	(408,523)	(371,796)
Options written			75,600
Swaps	(49,726)	213,567	(472,768)
	3,251,344	14,417,374	15,966,288
Net change in unrealized appreciation/depreciation on:			

Investments	(798,890)	(2,477,065)	(8,171,025)
Financial futures contracts			200,234
Foreign currency translations	143,496	605,047	462,245
Options written			(3,222)
Swaps	71,992	224,570	466,157
Unfunded loan commitments	4,702	20,676	8,388
	(578,700)	(1,626,772)	(7,037,223)
Total realized and unrealized gain	2,672,644	12,790,602	8,929,065
Net Increase in Net Assets Resulting from Operations	$ 10,531,911	$ 47,843,497	$ 57,075,138

1 Consolidated Statement of Operations.

2 See Note 8 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

	Year Ended August 31,	
Increase (Decrease) in Net Assets:	**2013**	**2012**
Operations		
Net investment income	$ 7,859,267	$ 7,715,971
Net realized gain	3,251,344	341,628
Net change in unrealized appreciation/depreciation	(578,700)	7,717,270
Net increase in net assets resulting from operations	10,531,911	15,774,869
Dividends to Shareholders From[1]		
Net investment income	(7,633,968)	(7,217,171)
Capital Share Transactions		
Reinvestment of dividends	246,640	
Net Assets		
Total increase in net assets	3,144,583	8,557,698
Beginning of year	127,454,593	118,896,895
End of year	$ 130,599,176	$ 127,454,593
Undistributed net investment income, end of year	$ 1,357,213	$ 1,539,340

[1] Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

	Year Ended August 31,	
Increase (Decrease) in Net Assets:	**2013**	**2012**
Operations		
Net investment income	$ 35,052,895	$ 17,932,502
Net realized gain (loss)	14,417,374	(4,997,420)
Net change in unrealized appreciation/depreciation	(1,626,772)	21,658,016
Net increase in net assets resulting from operations	47,843,497	34,593,098
Dividends to Shareholders From[1]		
Net investment income	(34,814,179)	(17,066,400)
Capital Share Transactions		
Proceeds issued resulting from reorganization	280,530,144	
Reinvestment of dividends	1,252,625	258,718
Net increase in net assets derived from capital share transactions	281,782,769	258,718
Net Assets		
Total increase in net assets	294,812,087	17,785,416
Beginning of year	276,990,000	259,204,584
End of year	$ 571,802,087	$ 276,990,000
Undistributed net investment income, end of year	$ 1,191,768	$ 1,633,469

[1] Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

	Year Ended August 31,	
Increase (Decrease) in Net Assets:	**2013**	**2012**
Operations		
Net investment income	$ 48,146,073	$ 48,539,048
Net realized gain (loss)	15,966,288	(1,706,968)
Net change in unrealized appreciation/depreciation	(7,037,223)	34,080,859
Net increase in net assets resulting from operations	57,075,138	80,912,939
Dividends to Shareholders From[1]		
Net investment income	(51,220,576)	(48,930,681)
Capital Share Transactions		
Reinvestment of dividends	873,743	591,363
Net Assets		
Total increase in net assets	6,728,305	32,573,621
Beginning of year	642,391,282	609,817,661
End of year	$ 649,119,587	$ 642,391,282
Undistributed net investment income, end of year	$ 3,778,403	$ 6,920,831

[1] Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Cash Flows

Year Ended August 31, 2013	BlackRock Defined Opportunity Credit Trust (BHL)	BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)[1]	BlackRock Limited Duration Income Trust (BLW)[1]
Cash Provided by Operating Activities			
Net increase in net assets resulting from operations	$ 10,531,911	$ 47,843,497[2]	$ 57,075,138
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:			
Decrease in interest receivable	102,880	89,838[2]	166,162
Increase in swap receivable	(8,407)	(54,103)	(68,547)
Increase in cash pledged for centrally cleared swaps	(60,000)	(260,000)	
Decrease in cash pledged for financial futures contracts			279,000
Increase in cash received as collateral for reverse repurchase agreements			(1,050,000)
Increase in cash pledged as collateral for over-the-counter swaps		(960,000)	(690,000)
Decrease in other assets			583,487
(Increase) decrease in prepaid expenses	(2,324)	2,424[2]	7,449
Decrease in variation margin receivable on financial futures contracts			836
Increase in dividends receivable unaffiliated			(1,670)
Increase (decrease) in investment advisory fees payable	(247)	(53,404)[2]	11,313
Increase (decrease) in interest expense payable	(4,371)	72,279[2]	158,696
Decrease in other accrued expenses payable	(59,236)	(134,573)[2]	(137,299)
Decrease in swaps payable	(17,243)	(38,143)	(160,233)
Increase in variation margin payable on centrally cleared swaps	2	7	
Decrease in reorganization costs payable		(714,958)[2]	
Increase (decrease) in Officer s and Directors fees payable	1,200	(3,515)[2]	69,161
Decrease in cash held for reverse repurchase agreements			(1,137,000)
Net periodic and termination payments of swaps	254,893	1,674,593	2,203,788

Net realized and unrealized gain on investments and swaps	(2,831,355)	(12,279,362)	(6,707,044)
Amortization of premium and accretion of discount on investments	(676,257)	(2,508,492)	1,078,149
Proceeds from sales of long-term investments	165,242,959	702,874,102[2]	704,034,388
Purchases of long-term investments	(159,117,027)	(688,813,128)[2]	(683,265,053)
Net proceeds from sales (purchases) of short-term securities	1,028,172	9,452,842[2]	1,139,174
Cash provided by operating activities	14,385,550	56,189,904	73,589,895
Cash Used for Financing Activities			
Cash receipts from borrowings	120,000,000	531,000,000	
Cash payments on borrowings	(126,000,000)	(551,000,000)	
Net borrowing of reverse repurchase agreements			(23,581,277)
Cash dividends paid to shareholders	(7,391,784)	(33,457,314)	(50,264,563)
Increase in bank overdraft			444,474
Cash Used for financing activities	(13,391,784)	(53,457,314)	(73,401,366)
Cash Impact from Foreign Exchange Fluctuations			
Cash impact from foreign exchange fluctuations	$ (533)	$ (3,158)	$ (5,542)
Cash and Foreign Currency			
Net increase (decrease) in cash and foreign currency	993,233	2,729,432	182,987
Cash and foreign currency at beginning of year	12,292	284,775[2]	364,599
Cash and foreign currency at end of year	$ 1,005,525	$ 3,014,207	$ 547,586
Cash Flow Information			
Cash paid during the year for interest and fees	$ 453,919	$ 1,850,107	$ 1,278,203
Non-cash Financing Activities			
Fair value of investments acquired through reorganization		$ 426,639,591	
Capital shares issued in reorganization		$ 280,530,144	
Capital shares issued in reinvestment of dividends	$ 246,640	$ 1,252,625	$ 873,743

[1] Consolidated Statement of Cash Flows.

[2] Includes assets and liabilities acquired in reorganization.

See Notes to Financial Statements.

	Year Ended August 31,				
	2013	2012	2011	2010	2009
Per Share Operating Performance					
Net asset value, beginning of year	$ 14.12	$ 13.17	$ 13.55	$ 12.53	$ 14.31
Net investment income[1]	0.87	0.85	0.86	0.85	0.87
Net realized and unrealized gain (loss)	0.30	0.90	(0.45)	0.87	(1.55)
Net increase (decrease) from investment operations	1.17	1.75	0.41	1.72	(0.68)
Dividends and distributions from:[2]					
Net investment income	(0.85)	(0.80)	(0.79)	(0.70)	(1.09)
Net realized gain					(0.01)
Total dividends and distributions	(0.85)	(0.80)	(0.79)	(0.70)	(1.10)
Net asset value, end of year	$ 14.44	$ 14.12	$ 13.17	$ 13.55	$ 12.53
Market price, end of year	$ 13.77	$ 13.94	$ 12.65	$ 12.86	$ 11.03
Total Investment Return[3]					
Based on net asset value	8.52%	13.94%	2.93%	14.39%	(2.16)%
Based on market price	4.82%	17.12%	4.17%	23.33%	(2.65)%
Ratios to Average Net Assets					
Total expenses	1.92%	1.91%	2.02%	1.91%	2.39%
Total expenses after fees waived and paid indirectly	1.92%	1.91%	2.02%	1.90%	2.39%
Total expenses after fees waived and paid indirectly and excluding interest expense	1.58%[4]	1.61%[4]	1.71%	1.65%	1.94%
Net investment income	6.04%	6.24%	6.10%	6.40%	8.11%
Supplemental Data					
	$130,599	$127,455	$118,897	$122,062	$112,862

Explanation of Responses:

Net assets, end of year (000)					
Borrowings outstanding, end of year (000)	$ 49,000	$ 55,000	$ 43,000	$ 24,000	$ 27,000
Average borrowings outstanding, during the year (000)	$ 47,384	$ 39,007	$ 36,369	$ 24,633	$ 31,141
Portfolio turnover	85%	53%	91%	102%	41%
Asset coverage, end of year per $1,000	$ 3,665	$ 3,317	$ 3,765	$ 6,086	$ 5,180

1 Based on average shares outstanding.

2 Dividends and distributions are determined in accordance with federal income tax regulations.

3 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.

4 For the years ended August 31, 2013 and August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.57% and 1.52%, respectively.

See Notes to Financial Statements.

	Year Ended August 31,				
	2013[1]	2012[1]	2011	2010	2009
Per Share Operating Performance					
Net asset value, beginning of year	$ 14.98	$ 14.04	$ 14.36	$ 12.93	$ 16.12
Net investment income[2]	0.99	0.97	0.96	0.91	1.14
Net realized and unrealized gain (loss)	0.42	0.90	(0.36)	1.48	(3.04)
Net increase (decrease) from investment operations	1.41	1.87	0.60	2.39	(1.90)
Dividends and distributions from:[3]					
Net investment income	(1.03)	(0.93)	(0.86)	(0.94)	(1.29)
Tax return of capital			(0.06)	(0.02)	
Total dividends and distributions	(1.03)	(0.93)	(0.92)	(0.96)	(1.29)
Net asset value, end of year	$ 15.36	$ 14.98	$ 14.04	$ 14.36	$ 12.93
Market price, end of year	$ 14.96	$ 15.20	$ 13.33	$ 14.61	$ 12.26
Total Investment Return[4]					
Based on net asset value	9.68%	13.91%	4.04%	18.91%	(8.88)%
Based on market price	5.28%	21.74%	(2.91)%	27.59%	(3.88)%
Ratios to Average Net Assets					
Total expenses	1.54%[5]	1.67%[7]	1.60%	1.45%	1.96%
Total expenses after fees waived and paid indirectly	1.52%[5]	1.67%[7]	1.60%	1.45%	1.96%
Total expenses after fees waived and paid indirectly and excluding	1.15%[5,6]	1.35%[6,7]	1.30%	1.22%	1.31%

Explanation of Responses:

interest expense and income tax					
Net investment income	6.49%	6.67%	6.44%	6.43%	10.18%
Supplemental Data					
Net assets, end of year (000)	$ 571,802	$ 276,990	$ 259,205	$ 264,379	$ 237,160
Borrowings outstanding, end of year (000)	$ 214,000	$ 117,000	$ 93,000	$ 53,000	$ 38,000
Average borrowings outstanding, during the year (000)	$ 201,830	$ 88,197	$ 79,195	$ 48,258	$ 50,591
Portfolio turnover	88%	53%	91%	96%	58%
Asset coverage, end of year per $1,000	$ 3,672	$ 3,367	$ 3,787	$ 5,988	$ 7,241

1 Consolidated Financial Highlights.

2 Based on average shares outstanding.

3 Dividends and distributions are determined in accordance with federal income tax regulations.

4 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.

5 Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.52%, 1.52%, and 1.15%, respectively.

6 For the years ended August 31, 2013 and August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.14% and 1.26%, respectively.

7 Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and paid indirectly and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.61%, 1.61%, and 1.29%, respectively.

See Notes to Financial Statements.

	Year Ended August 31,				
	2013[1]	2012[1]	2011	2010	2009
Per Share Operating Performance					
Net asset value, beginning of year	$ 17.38	$ 16.52	$ 16.79	$ 14.95	$ 16.71
Net investment income[2]	1.30	1.31	1.34	1.12	1.01
Net realized and unrealized gain (loss)	0.25	0.88	(0.37)	1.62	(1.61)
Net increase (decrease) from investment operations	1.55	2.19	0.97	2.74	(0.60)
Dividends from net investment income[3]	(1.39)	(1.33)	(1.24)	(0.90)	(1.16)
Net asset value, end of year	$ 17.54	$ 17.38	$ 16.52	$ 16.79	$ 14.95
Market price, end of year	$ 16.89	$ 18.00	$ 16.01	$ 16.76	$ 14.09
Total Investment Return[4]					
Based on net asset value	9.13%	13.86%	5.85%	19.00%	(1.57)%
Based on market price	1.47%	21.68%	2.77%	26.04%	6.40%
Ratios to Average Net Assets					
Total expenses	1.12%	1.05%	1.01%	0.82%	0.72%
Total expenses after fees waived and paid indirectly	1.12%	1.05%	1.00%	0.81%	0.71%
Total expenses after fees waived and paid indirectly and excluding interest expense and income tax	0.90%	0.89%	0.87%	0.73%	0.69%
Net investment income	7.34%	7.82%	7.75%	6.90%	7.42%
Supplemental Data					
	$ 649,120	$ 642,391	$ 609,818	$ 619,381	$ 551,505

Net assets, end of year (000)					
Borrowings outstanding, end of year (000)	$ 273,347	$ 296,476	$ 244,120	$ 123,233	
Average borrowings outstanding, during the year (000)	$ 301,214	$ 242,396	$ 191,303	$ 44,160	$ 11,705
Portfolio turnover	71%	54%	106%[5]	248%[6]	287%[7]
Asset coverage, end of year per $1,000	$ 3,375	$ 3,167	$ 3,498	$ 6,026	

1 Consolidated Financial Highlights.

2 Based on average shares outstanding.

3 Dividends are determined in accordance with federal income tax regulations.

4 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.

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

6 Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 113%.

7 Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 79%.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Organization:

BlackRock Defined Opportunity Credit Trust (BHL), BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) and BlackRock Limited Duration Income Trust (BLW) (collectively, the Funds or individually a Fund) are registered under the 1940 Act, as diversified, closed-end management investment companies. BHL and BLW are organized as Delaware statutory trusts. FRA is organized as a Maryland corporation. The Boards of Directors and the Boards of Trustees of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the NAV of their Common Shares on a daily basis.

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

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

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

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

Each Target Fund s net assets and composition of net assets on October 5, 2012, the business day immediately prior to the effective date of its reorganization, were as follows:

	Target Funds	
	FRB	DVF
Net assets	$145,503,247	$135,026,897
Paid-in capital	$199,203,523	$228,382,425
Undistributed (distributions in excess of) net investment income	$ (164,508)	$ (88,960)
Accumulated net realized loss	$ (54,909,880)	$ (89,378,206)
Net unrealized appreciation (depreciation)	$ 1,374,112	$ (3,888,362)

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

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

Target Fund	Fair Value of Investments	Cost of Investments
FRB	$220,588,307	$219,010,017

DVF	$206,051,284	$209,710,937

The purpose of these transactions was to combine three funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on October 8, 2012.

Assuming the acquisition had been completed on September 1, 2012 the beginning of the fiscal reporting period of FRA, the pro forma results of operations for the year ended August 31, 2013, are as follows:

Net investment income: $36,549,895

Net realized and change in unrealized gain/loss on investments: $15,835,377

Net increase/decrease in net assets resulting from operations: $52,385,271

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in FRA s Statement of Operations since October 8, 2012.

Reorganization costs incurred in connection with the reorganizations were expensed by FRA. BlackRock Advisors, LLC (the Manager) reimbursed the Fund $100,000, which is shown as reorganization costs reimbursed by Manager in the Statements of Operations.

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of FRA Subsidiary, LLC and BLW Subsidiary, LLC (the Subsidiaries), both of which are wholly owned subsidiaries of each Fund. The Subsidiaries enable the Funds to hold investments that are organized as an operating partnership and satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investments held by the Subsidiaries are taxable to such subsidiaries. An income tax provision for all income, including realized and unrealized gains, if any, is reflected as either a reduction in investment income or as component of realized and unrealized gain (loss) on the Consolidated Statements of Operations. Each Fund may invest up to 25% of its total assets in its Subsidiary. Intercompany accounts and transactions have been eliminated. Each Subsidiary is subject to the same investment policies and restrictions that apply to its Funds.

Notes to Financial Statements (continued)

2. Significant Accounting Policies:

The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Funds:

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

The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. Swap agreements are valued utilizing quotes received daily by the Funds pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange or the NASDAQ Stock Market (NASDAQ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price.

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

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day s price will be used, unless it is determined that the prior day s price no longer reflects the fair value of the option. Over-the-counter (OTC) options and swaptions are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deem relevant consistent with the principles of fair value measurement which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Funds pricing vendors, regular reviews of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and

Notes to Financial Statements (continued)

losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

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

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

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

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts and swaps), or certain borrowings (e.g., reverse repurchase agreements and loan payable), the Funds will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, a Fund engaging in such transactions may have requirements to deliver/deposit securities to/with an exchange or broker-dealer as collateral for certain investments.

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

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

Income Taxes: It is each Fund s policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required, except with respect to any taxes related to Subsidiaries.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Funds US federal tax returns remains open for each of the four years ended August 31, 2013. The statutes of limitations on the Funds state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

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

Notes to Financial Statements (continued)

years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Funds financial statement disclosures.

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

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

Other: Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

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

3. Securities and Other Investments:

Asset-Backed and Mortgage-Backed Securities: The Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. In addition, the Funds may have to subsequently reinvest the proceeds at lower interest rates. If the Funds have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

The Funds may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States but are supported by the right of the issuer to borrow from the Treasury.

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

Multiple Class Pass-Through Securities: Certain Funds may invest in multiple class pass-through securities, including collateralized mortgage obligations (CMOs) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, US government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only (IOs), principal only (POs), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since

Notes to Financial Statements (continued)

this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated pre-payments of principal, the Fund may not fully recoup its initial investment in IOs.

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

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

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

Preferred Stock: Certain Funds may invest in preferred stock. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer s board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

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

When the Funds purchase a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Funds may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Funds upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Funds may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower s option. The Funds may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Funds may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Funds having a direct contractual relationship with the borrower, and the Funds may enforce compliance by the borrower with the terms of the loan agreement.

Notes to Financial Statements (continued)

In connection with floating rate loan interests, the Funds may also enter into unfunded floating rate loan interests (commitments). In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of August 31, 2013, the Funds had the following unfunded floating rate loan interests:

	Borrower	Unfunded Floating Rate Loan Interest	Value of Underlying Floating Rate Loan Interest	Unrealized Appreciation (Depreciation)
BHL	Media General, Inc.	$ 420,000	$ 420,777	$ 4,859
	Power Team Services, LLC	$ 24,444	$ 24,169	$ (157)
FRA	Media General, Inc.	$ 1,845,000	$ 1,848,413	$ 21,352
	Power Team Services, LLC	$ 105,556	$ 104,368	$ (676)
BLW	Media General, Inc.	$ 750,000	$ 751,388	$ 8,673
	Power Team Services, LLC	$ 44,444	$ 43,944	$ (285)

Forward Commitments and When-Issued Delayed Delivery Securities: The Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the Funds are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

Reverse Repurchase Agreements: Certain Funds may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. During the term of the reverse repurchase agreement, the Funds continue to receive the principal and interest payments on the securities sold. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Funds may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreement may decline below the repurchase price.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest payments to be made to the counterparty is recorded as a liability in the Statements of Assets and Liabilities at face value including accrued interest. Due to the short term nature of the reverse repurchase agreements, face value approximates fair value. Interest payments made by the Funds to the counterparties are recorded as a component of interest expense in the Statements of Operations. In periods of increased demand for the security, the Funds may receive a fee for use of the security by the counterparty, which may result in interest income to the Funds.

4. Derivative Financial Instruments:

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

Financial Futures Contracts: The Funds purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk), changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Upon entering into a financial futures contract, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract s size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin. Variation margin is recorded by the Funds as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest or foreign currency exchange rates and the underlying assets.

Foreign Currency Exchange Contracts: The Funds enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date.

Notes to Financial Statements (continued)

Foreign currency exchange contracts, when used by the Funds, help to manage the overall exposure to the currencies in which some of the investments held by the Funds are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

Options: The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments including equity risk, and/or interest rate risk, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Funds purchase (write) an option, an amount equal to the premium paid (received) by the Funds is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Funds write a call option, such option is covered, meaning that the Funds hold the underlying instrument subject to being called by the option counterparty. When the Funds write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

In purchasing and writing options, the Funds bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Funds may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Funds purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

Swaps: The Funds enter into swap agreements, in which the Funds and the counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract (OTC swaps) or centrally cleared (centrally cleared swaps). Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

For OTC swaps, any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Statements of Assets and Liabilities and amortized over the term of the OTC swap. Payments received or made by the Funds for OTC swaps are recorded in the Statements of Operations as realized gains or losses, respectively. When an OTC swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP) and the Fund faces the CCP through a broker. Upon entering into a centrally cleared swap, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited is recorded on the Statements of Assets and Liabilities as cash pledged for centrally cleared swaps. The daily change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gain (loss) in the Statements of Operations.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Credit default swaps The Funds enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Funds may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in

Notes to Financial Statements (continued)

consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occur. As a buyer, if an underlying credit event occurs, the Funds will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Funds will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

Interest rate swaps   The Funds enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, for another party s stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

The following is a summary of the Funds derivative financial instruments categorized by risk exposure:

Fair Values of Derivative Financial Instruments as of August 31, 2013

		Derivative Assets		
		BHL	**FRA**	**BLW**
	Statements of Assets and Liabilities Location		**Value**	
Equity contracts	Net unrealized appreciation/depreciation[1]			$ 1
Interest rate contracts	Net unrealized appreciation/depreciation[1];			122,000
Foreign currency exchange contracts	Unrealized appreciation on foreign currency exchange contracts	$ 72,285	$ 189,431	548,244
Credit contracts	Net unrealized appreciation/depreciation[1]			
	Unrealized appreciation on swaps; swap	27,381	179,330	184,160

premiums paid			
Total	$ 99,666	$ 368,761	$ 854,404

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

The Effect of Derivative Financial Instruments in the Statements of Operations
Year Ended August 31, 2013

	Net Realized Gain (Loss) From		
	BHL	**FRA**	**BLW**
Interest rate contracts:			
Financial futures contracts			$ 514,995
Swaps			(322,674)
Foreign currency exchange contracts:			
Foreign currency transactions	$ (282,249)	$ (493,299)	(472,769)
Credit contracts:			
Swaps	(49,726)	213,567	(150,094)
Equity contracts:			
Financial futures contracts			(475,176)
Options[2]			(242,400)
Total	$ (331,975)	$ (279,732)	$ (1,148,118)

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

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	Net Change in Unrealized Appreciation/Depreciation on		
	BHL	**FRA**	**BLW**
Interest rate contracts:			
Financial futures contracts			$ (88,654)
Swaps			260,243
Foreign currency exchange contracts:			
Foreign currency translations	$ 145,217	$ 179,048	466,067
Credit contracts:			
Swaps	71,992	224,570	205,914
Equity contracts:			
Financial futures contracts			288,888
Options[1]		(23,466)	(2,102)
Total	$ 217,209	$ 380,152	$ 1,130,356

[1] Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the year ended August 31, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

	BHL	**FRA**	**BLW**
Financial future contracts:			
Average number of contracts purchased			45
Average number of contracts sold			79
Average notional value of contracts purchased			$ 8,878,823
Average notional value of contracts sold			$10,111,654
Foreign currency exchange contracts:			
Average number of contracts US dollars purchased	6	6	12
Average number of contracts US dollars sold	2	3	2
Average US dollar amounts purchased	$6,566,991	$21,719,900	$75,411,707
Average US dollar amounts sold	$ 909,541	$ 4,017,487	$ 2,157,415
Options:			
Average number of option contracts purchased		44	46
Average number of option contracts written			6,000[2]
Average notional value of option contracts purchased		$ 4,148,584	$ 4,337,156
Average notional value of option contracts written			$ 7,950,000[2]
Credit default swaps:			
Average number of contracts buy protection	1	1	3
	6	5	17

Explanation of Responses:

Average number of contracts sell protection			
Average notional value buy protection	$ 250,000	$ 1,125,000	$ 6,272,000
Average notional value sell protection	$ 638,926	$ 3,824,569	$ 9,854,719
Interest rate swaps:			
Average number of contracts pays fixed rate			1
Average notional value pays fixed rate			$ 7,250,000

2 Actual contract amount shown due to limited activity

Counterparty Credit Risk: A derivative contract may suffer a mark to market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Fund s risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Fund. For OTC options purchased, each Fund bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Fund should the counterparty fail to perform under the contracts. Options written by the Funds do not typically give rise to counterparty credit risk, as options written generally obligate the Funds, and not the counterparty, to perform.

With exchange traded purchased options and futures and centrally cleared swaps, there is less counterparty credit risk to the Funds since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. Credit risk exists in exchange traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker s customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker s customers, potentially resulting in losses to the Funds.

In order to better define its contractual rights and to secure rights that will help the Funds mitigate its counterparty risk, the Funds may enter into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between each Fund and a counterparty that governs OTC derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement,

Notes to Financial Statements (continued)

each Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Funds net assets decline by a stated percentage or the Funds fail to meet the terms of their ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Funds and the counterparty.

Cash collateral that has been pledged to cover obligations of the Funds and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Funds, if any, is noted in the Schedules of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g. $500,000) before a transfer is required, which is determined at the close of business of the Funds and any additional required collateral is delivered to/pledged by the Funds on the next business day. Typically, the Funds and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Funds from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. Each Fund attempts to mitigate counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

5. Investment Advisory Agreement and Other Transactions with Affiliates:

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

Each Fund entered into an Investment Advisory Agreement with the Manager, the Funds investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee based on a percentage of each Fund s average daily net assets at the following annual rates, plus the proceeds of any outstanding borrowings used for leverage as follows:

BHL	1.00%
FRA	0.75%
BLW	0.55%

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

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

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

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

The Funds may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is solely due to having a common investment adviser, common officers, or common trustees. For the year ended August 31, 2013, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

	Purchases	Sales
BHL	$ 1,737,127	
FRA	$ 7,835,737	
BLW	$ 842,781	$ 1,088,880

6. Purchases and Sales:

Purchases and sales of investments including paydowns and excluding short-term securities and US government securities for the year ended August 31, 2013 were as follows:

	Purchases	Sales
BHL	$ 161,190,394	$ 166,246,672
FRA	$ 679,481,118	$ 706,469,667
BLW	$ 688,929,392	$ 703,489,064

Purchases and sales of US government securities for BLW for the year ended August 31, 2013 were $0 and $1,745,676, respectively.

Notes to Financial Statements (continued)

Transactions in options written for year ended August 31, 2013 were as follows:

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

7. Income Tax Information:

US GAAP require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of August 31, 2013 attributable to the accounting for swap agreements, amortization methods on fixed income securities, foreign currency transactions, non-deductible expenses, limitations on the utilization of capital loss carryforwards and the expiration of capital loss carryforwards were reclassified to the following accounts:

	BHL	FRA	BLW
Paid-in capital	$	$(119,012,432)	$
Undistributed net investment income	$(407,426)	$ (426,949)	$(67,925)
Accumulated net realized loss	$ 407,426	$ 119,439,381	$ 67,925

The tax character of distributions paid during the fiscal years ended August 31, 2013 and August 31, 2012 was as follows:

		BHL	FRA	BLW
Ordinary income	8/31/13	$7,633,968	$34,814,179	$51,220,576
	8/31/12	7,217,171	17,066,400	48,930,681
Total	8/31/13	$7,633,968	$34,814,179	$51,220,576
	8/31/12	$7,217,171	$17,066,400	$48,930,681

As of August 31, 2013, the tax components of accumulated net earnings (losses) were as follows:

	BHL	FRA	BLW
Undistributed ordinary income	$1,754,732	$ 2,953,489	$ 5,262,699
Capital loss carryforwards	(572,418)	(84,742,279)	(58,762,246)
Net unrealized gains (losses)[1]	1,097,150	(8,838,123)	(747,178)
Total	$2,279,464	$(90,626,913)	$(54,246,725)

1 The differences between book-basis and tax-basis net unrealized gains (losses) were attributable primarily to the tax deferral of losses on wash sales, amortization methods for premiums and discounts on fixed income securities, the accrual of income on securities in default, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency contracts, the timing and recognition of partnership income, the accounting for swap agreements, the deferral of compensation to directors and investments in wholly owned subsidiaries.

As of August 31, 2013, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

Expires August 31,	BHL	FRA	BLW
2014		$ 2,237,399	
2015		1,444,704	
2016		20,623,334	$11,256,103
2017		30,228,590	9,996,868
2018	$572,418	27,716,009	37,509,275
2019		2,206,081	
No expiration date[2]		286,162	
Total	$572,418	$84,742,279	$58,762,246

[2] Must be utilized prior to losses subject to expiration.

During the year ended August 31, 2013, the Funds listed below utilized the following amounts of their respective capital loss carryover:

BHL	FRA	BLW
$3,123,231	$13,929,132	$14,982,192

As of August 31, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

	BHL	FRA	BLW
Tax cost	$182,635,127	$ 810,827,572	$ 930,975,778
Gross unrealized appreciation	$ 2,234,784	$ 11,915,062	$ 23,804,152
Gross unrealized depreciation	(1,222,579)	(19,020,427)	(25,194,152)
Net unrealized appreciation (depreciation)	$ 1,012,205	$ (7,105,365)	$ (1,390,000)

8. Borrowings:

Effective March 1, 2013, BHL and FRA were party to a senior committed secured, 360-day rolling line of credit facility and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). SSB may elect to terminate its commitment upon 360-days written notice to the Funds at any time after February 24, 2014. The Funds have granted a security interest in substantially all of their assets to SSB.

The SSB Agreement allows for the following maximum commitment amounts:

	Commitment Amounts
BHL	$ 64,000,000
FRA	$280,000,000

Prior to March 1, 2013, advances were made by SSB to the Funds, at the Funds option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above 7-day, 30-day, 60-day or 90-day LIBOR.

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Notes to Financial Statements (concluded)

On March 1, 2013, the SSB Agreement was renewed and amended from a 364-day revolving line of credit to a 360-day rolling facility whereby SSB may elect to terminate its commitment upon 360-days written notice to the Funds anytime after February 24, 2014. Advances will be made by SSB to the Funds, at the Funds   option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, the Funds pay a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if the Funds meet certain conditions. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Funds as of August 31, 2013 are shown in the Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

The Funds may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

For the year ended August 31, 2013, the daily weighted average interest rates for Funds with loans under the revolving credit agreements were as follows:

	Daily Weighted Average Interest Rate
BHL	0.95%
FRA	0.95%

For the year ended August 31, 2013, the daily weighted average interest rate for BLW with borrowings from reverse repurchase agreements was as follows:

	Daily Weighted Average Interest Rate
BLW	0.48%

9. Concentration, Market and Credit Risk:

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into transactions only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds   exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in Statements of Assets and Liabilities, less any collateral held by the Funds.

The Funds invest a significant portion of its assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

10. Capital Share Transactions:

BHL and BLW are authorized to issue an unlimited number of shares, par value $0.001, all of which were initially classified as Common Shares. FRA is authorized to issue 200 million shares, par value $0.10, all of which were initially classified as Common

Shares. The Board is authorized, however, to reclassify any unissued Common Shares without approval of Common Shareholders.

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

	Year Ended August 31,	
	2013	**2012**
BHL	16,935	
FRA	18,747,801[1]	17,388
BLW	49,145	34,642

[1] Includes 18,666,048 shares issued from the reorganization.

11. Subsequent Events:

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

Each Fund paid a net investment income dividend in the following amounts per share on September 30, 2013 to Common Shareholders of record on September 16, 2013:

	Common Dividend Per Share
BHL	$ 0.0660
FRA	$ 0.0755
BLW	$ 0.1045

Additionally, the Funds declared a net investment income dividend on October 1, 2013 payable to Common Shareholders of record on October 16, 2013 for the same amounts noted above.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of BlackRock Floating Rate Income Strategies Fund, Inc. and to the Shareholders and Board of Trustees of BlackRock Defined Opportunity Credit Trust and BlackRock Limited Duration Income Trust:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Defined Opportunity Credit Trust (the Fund) as of August 31, 2013, and its related statements of operations and cash flows for the year then ended, its statements of changes in net assets for each of the two years in the period then ended and its financial highlights for each of the periods presented. We have also audited the consolidated statements of assets and liabilities, including the consolidated schedules of investments, of BlackRock Floating Rate Income Strategies Fund, Inc., and BlackRock Limited Duration Income Trust, (collectively with the Fund mentioned above, the Funds), as of August 31, 2013, and their related consolidated statements of operations and consolidated cash flows for the year then ended, their consolidated statements of changes in net assets for each of the two years in the period then ended, and their consolidated financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2013, by correspondence with the custodian, brokers and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Defined Opportunity Credit Trust as of August 31, 2013, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the periods presented, and the consolidated financial positions of BlackRock Floating Rate Income Strategies Fund, Inc., and BlackRock Limited Duration Income Trust, as of August 31, 2013, the consolidated results of their operations and their consolidated cash flows for the year then ended, the consolidated changes in their net assets for each of the two years in the period then ended, and their consolidated financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Boston, Massachusetts
October 29, 2013

Important Tax Information (Unaudited)

The following information is provided with respect to the ordinary income distributions paid by the Funds during the fiscal year ended August 31, 2013.

	Payable Dates	BHL	FRA	BLW
Interest-Related Dividends for Non-US Residents[1]	September 2012 January 2013	57.35%	65.55%	61.84%
	February 2013 August	88.60%	88.31%	79.98%

2013

[1] Represents the portion of the taxable ordinary income dividends eligible for exemption from US withholding tax for nonresident aliens and foreign corporations.

Explanation of Responses:

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements

The Board of Directors or Trustees, as applicable (each, a Board, collectively, the Boards, and the members of which are referred to as Board Members) of BlackRock Defined Opportunity Credit Trust (BHL), BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) and BlackRock Limited Duration Income Trust (BLW and together with BHL and FRA, each a Fund, and, collectively, the Funds) met in person on April 18, 2013 (the April Meeting) and June 4-5, 2013 (the June Meeting) to consider the approval of each Fund s investment advisory agreement (each, an Advisory Agreement) with BlackRock Advisors, LLC (the Manager), each Fund s investment advisor. The Board of each Fund also considered the approval of the sub-advisory agreement (each, a Sub-Advisory Agreement) among the Manager, BlackRock Financial Management, Inc. (the Sub-Advisor), and its Fund. The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the Agreements.

Activities and Composition of the Board

Each Board consists of eleven individuals, nine of whom are not interested persons of such Fund as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). The Board Members are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of each Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

The Agreements

Pursuant to the 1940 Act, the Boards are required to consider the continuation of the Agreements on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, considered at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-year, three-year, five-year and/or since inception periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management s and portfolio managers analysis of the reasons for any over-performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center and fund accounting; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds investment objectives, policies and restrictions; (e) the Funds compliance with their Code of Ethics and other compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock s and other service providers internal controls and risk and compliance oversight mechanisms; (h) BlackRock s implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock s implementation of the Funds valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock s compensation methodology for its investment professionals and the incentives it creates; and (m) periodic updates on BlackRock s business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock s commitment to investment performance. In addition, the Boards requested and BlackRock provided an analysis of fair valuation and stale pricing policies. BlackRock also furnished information to the Boards in response to specific questions. These questions covered issues such as BlackRock s profitability, investment performance and management fee levels. The Boards further considered the importance of: (i) organizational and structural variables to investment performance; (ii) rates of portfolio turnover; (iii) BlackRock s performance accountability for portfolio managers; (iv) marketing support for the funds; (v) services provided to the Funds by BlackRock affiliates; and (vi) BlackRock s oversight of relationships with third party service providers.

Board Considerations in Approving the Agreements

The Approval Process: Prior to the April Meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are engaged in a process with its independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April Meeting included (a) information independently compiled and prepared by Lipper, Inc. (Lipper) on Fund fees and expenses as compared with a peer group of funds as determined by Lipper (Expense Peers) and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper[1] and, with respect to BHL and FRA, a customized peer group selected by BlackRock, as well as the investment performance of BLW as compared with its custom benchmark; (b) information on the profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to

[1] Lipper ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable.

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning investment management fees charged to other clients, such as institutional clients and open-end funds, under similar investment mandates, as applicable; (d) review of non-management fees; (e) the existence, impact and sharing of potential economies of scale; (f) a summary of aggregate amounts paid by each Fund to BlackRock and (g) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At the April Meeting, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the April Meeting, and as a culmination of the Boards year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the June Meeting.

At the June Meeting, each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund, each for a one-year term ending June 30, 2014. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Funds; (d) the Funds costs to investors compared to the costs of Expense Peers and performance compared to the relevant performance comparison as previously discussed; (e) economies of scale; (f) fall-out benefits to BlackRock as a result of its relationship with the Funds; and (g) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds and advice from independent legal counsel with respect to the review process and materials submitted for the Boards review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock: The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Funds. Throughout the year, the Boards compared Fund performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, if any. The Boards met with BlackRock s senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its Fund s portfolio management team discussing the Fund s performance and the Fund s investment objective, strategies and outlook.

The Boards considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and their Funds portfolio management teams; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Boards engaged in a review of BlackRock s compensation structure with respect to their Funds portfolio management teams and BlackRock s ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and other non-investment advisory services provided to the Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus, the summary prospectus (as applicable) and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; (viii) furnishing analytical and other support to assist the Boards in their consideration of strategic issues such as the merger or consolidation of certain closed-end funds; and (ix) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock s fund administration, shareholder services, legal and compliance departments and considered BlackRock s policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Funds and BlackRock: Each Board, including the Independent Board Members, also reviewed and considered the performance history of its Funds. In preparation for the April Meeting, the Boards worked with its independent legal counsel, BlackRock and Lipper to develop a template for, and were provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Fund s performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper s rankings. In connection with their review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to other funds in its applicable Lipper category, and with respect to BHL and FRA, a customized peer group selected by BlackRock, and with respect to BLW, the investment performance of BLW as compared with its custom benchmark. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review their methodology. Each Board

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of its Fund throughout the year.

The Board of BHL noted that BHL ranked in the fourth, fourth and first quartiles against its Customized Lipper Peer Group for the one-year, three-year and since-inception periods reported, respectively.

The Board of FRA noted that FRA ranked in the third quartile against its Customized Lipper Peer Group for each of the one-, three- and five-year periods reported.

BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BHL and FRA.

The Board of each of BHL and FRA and BlackRock reviewed and discussed the reasons for their respective Fund s underperformance during the periods in which the Fund underperformed as compared to its Customized Lipper Peer Group. The Board of each of FRA and BHL was informed that, among other things, the two factors impacting performance the most relative to peers during these periods of underperformance were its respective Fund s leverage utilization and higher quality investment style. The Funds obtain leverage through a contractual bank line, which limits their ability to obtain leverage beyond 33% of Fund assets. This generally causes the Funds to lag during favorable market periods. The investment style of the Funds tends to be higher quality in terms of the average borrower, the structure, terms and conditions of the loans, and the liquidity of the deals the teams invest in. Fund management believes this will lead to better risk-adjusted returns over time, but in strong risk periods when markets and/or lower-quality loan instruments are rising, it can exaggerate the degree of underperformance. Stock selection in the media non-cable and an overweight to the independent energy sector also contributed to each Fund s underperformance during such periods.

The Boards of BHL and FRA and BlackRock also discussed BlackRock s strategy for improving the Funds performance and BlackRock s commitment to providing the resources necessary to assist the Funds portfolio managers and to improve the Funds performance.

The Board of BLW noted that BLW s performance exceeded its customized benchmark during the one- and three-year periods reported, but underperformed the customized benchmark for the five-year period. BlackRock believes that the performance relative to the customized benchmark is an appropriate performance metric for BLW.

The Boards noted that BlackRock has recently made, and continues to make, changes to the organization of BlackRock s overall portfolio management structure designed to result in strengthened leadership teams.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds: Each Board, including the Independent Board Members, reviewed its Fund s contractual management fee rate compared with the other funds in its Lipper category. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. Each Board also compared its Fund s total net operating expense ratio, as well as actual management fee rate, to those of other funds in its Lipper category. The total net operating expense ratio and actual management fee rate both give effect to any expense reimbursements or fee waivers that benefit the funds. The Boards considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including institutional accounts.

The Boards received and reviewed statements relating to BlackRock s financial condition. The Boards were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock s profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2012 compared to available aggregate profitability data provided for the prior two years. The Boards reviewed BlackRock s profitability with respect to certain other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock s assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. As a result, comparing profitability is difficult.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards reviewed BlackRock s overall operating margin, in general, compared to that of certain other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at

BlackRock, BlackRock s expense management, and the relative product mix.

In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock s and its affiliates profits relating to the management of the Funds and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Boards reviewed BlackRock s methodology in allocating its costs to the management of the Funds. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards.

The Board of BHL noted that BHL s contractual management fee rate ranked in the second quartile relative to BHL s Expense Peers.

The Board of each of FRA and BLW noted that its respective Fund s contractual management fee rate ranked in the first quartile relative to the Fund s Expense Peers.

D. Economies of Scale: Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (concluded)

should be changes in the advisory fee rate or breakpoint structure in order to enable the Fund to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Fund.

Based on the Boards review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund s inception. The Boards noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

E. Other Factors Deemed Relevant by the Board Members: The Boards, including the Independent Board Members, also took into account other ancillary or fall-out benefits that BlackRock or its affiliates may derive from their respective relationships with the Funds, both tangible and intangible, such as BlackRock s ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock s profile in the investment advisory community, and the engagement of BlackRock s affiliates as service providers to the Funds, including securities lending and cash management services. The Boards also considered BlackRock s overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that they had considered the investment by BlackRock s funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock s brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Boards noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Fund shares in the secondary market if they believe that the Fund s fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

The Boards also considered the various notable initiatives and projects BlackRock performed in connection with its closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; efforts to eliminate product overlap with fund mergers; ongoing services to manage leverage that has become increasingly complex; share repurchases and other support initiatives for certain BlackRock funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted BlackRock s continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. BlackRock s support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the BlackRock funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing its closed-end fund website.

Conclusion

Each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2014, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund for a one-year term ending June 30, 2014. Based upon its evaluation of all of the aforementioned factors in their totality, the Boards, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Funds and their shareholders. In arriving at their decision to approve the Agreements, the Boards did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making these determinations. The contractual fee arrangements for the Funds reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members conclusions may be based in part on their consideration of these arrangements in prior years.

Automatic Dividend Reinvestment Plans

Pursuant to each Fund s Dividend Reinvestment Plan (the Reinvestment Plan), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the Reinvestment Plan Agent) in the respective Fund s shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Funds declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Funds (newly issued shares) or (ii) by purchase of outstanding shares on the open market or on the Fund s primary exchange (open-market purchases). If, on the dividend payment date, the net asset value per share (NAV) is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a market premium), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant s account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a market discount), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Reinvestment Plan Agent s fees for the handling of the reinvestment of dividends and distributions will be paid by each Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Reinvestment Plan Agent s open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Fund reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan. However, each Fund reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants that request a sale of shares are subject to a $2.50 sales fee and a $0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. All correspondence concerning the Reinvestment Plan should be directed to Computershare Trust Company, N. A. through the internet at http://www.computershare.com/blackrock, or in writing to Computershare, P. O. Box 43078, Providence, RI 02940-3078, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street, Canton, MA 02021.

Officers and Directors

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served as a Director[2]	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios (Portfolios) Overseen	Public Directorships
Independent Directors[1]					
Richard E. Cavanagh 55 East 52nd Street New York, NY 10055 1946	Chairman of the Board and Director	Since 2007	Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Director, Arch Chemical (chemical and allied products) from 1999 to 2011; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Faculty Member/Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007.	94 RICs consisting of 90 Portfolios	None
Karen P. Robards 55 East 52nd Street New York, NY 10055 1950	Vice Chairperson of the Board, Chairperson of the Audit Committee and Director	Since 2007	Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Investment Banker at Morgan Stanley from 1976 to 1987.	94 RICs consisting of 90 Portfolios	AtriCure, Inc. (medical devices); Greenhill & Co., Inc.

Michael J. Castellano 55 East 52nd Street New York, NY 10055 1946	Director and Member of the Audit Committee	Since 2011	Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2011; Director, Support Our Aging Religious (non-profit) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010; Trustee, Domestic Church Media Foundation since 2012.	94 RICs consisting of 90 Portfolios	None
Frank J. Fabozzi 55 East 52nd Street New York, NY 10055 1948	Director and Member of the Audit Committee	Since 2007	Editor of and Consultant for The Journal of Portfolio Management since 2006; Professor of Finance, EDHEC Business School since 2011; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006.	94 RICs consisting of 90 Portfolios	None
Kathleen F. Feldstein 55 East 52nd Street New York, NY 10055 1941	Director	Since 2007	President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009.	94 RICs consisting of 90 Portfolios	The McClatchy Company (publishing)
James T. Flynn 55 East 52nd Street	Director and	Since 2007	Chief Financial Officer of JPMorgan & Co., Inc. from	94 RICs consisting of	None

New York, NY 10055 1939	Member of the Audit Committee		1990 to 1995.	90 Portfolios	
Jerrold B. Harris 55 East 52nd Street New York, NY 10055 1942	Director	Since 2007	Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation from 2010 to 2012; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999.	94 RICs consisting of 90 Portfolios	BlackRock Kelso Capital Corp. (business develop-ment company)
R. Glenn Hubbard 55 East 52nd Street New York, NY 10055 1958	Director	Since 2007	Dean, Columbia Business School since 2004; Faculty member, Columbia Business School since 1988.	94 RICs consisting of 90 Portfolios	ADP (data and information services); KKR Financial Corporation (finance); Metropolitan Life Insurance Company (insurance)

Officers and Directors (continued)

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served as a Director[2]	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios (Portfolios) Overseen	Public Directorships
Independent Directors[1] (concluded)					
W. Carl Kester 55 East 52nd Street New York, NY 10055 1951	Director and Member of the Audit Committee	Since 2007	George Fisher Baker Jr. Professor of Business Administration, Harvard Business School since 2008; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Unit from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program from 1999 to 2005; Member of the faculty of Harvard Business School since 1981.	94 RICs consisting of 90 Portfolios	None

[1] Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 74. In 2013, the Board of Directors unanimously approved further extending the mandatory retirement age for James T. Flynn by one additional year, which the Board believed would be in the best interest of shareholders. Mr. Flynn can serve until December 31, 2014, when he turns 75.

[2] Date shown is the earliest date a person has served for the Funds covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. (MLIM) and BlackRock, Inc. (BlackRock) in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. As a result, although the chart shows certain Directors as joining the Funds board in 2007, those Directors first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995 and Karen P. Robards, 1998.

Interested Directors[3]

Paul L. Audet 55 East 52nd Street	Director	Since 2011	Senior Managing Director of BlackRock and Head of	155 RICs consisting of	None

New York, NY 10055 1953			U.S. Mutual Funds since 2011; Chair of the U.S. Mutual Funds Committee reporting to the Global Executive Committee since 2011; Head of BlackRock s Real Estate business from 2008 to 2011; Member of BlackRock s Global Operating and Corporate Risk Management Committees and of the BlackRock Alternative Investors Executive Committee and Investment Committee for the Private Equity Fund of Funds business since 2008; Head of BlackRock s Global Cash Management business from 2005 to 2010; Acting Chief Financial Officer of BlackRock from 2007 to 2008; Chief Financial Officer of BlackRock from 1998 to 2005.	282 Portfolios	
Henry Gabbay 55 East 52nd Street New York, NY 10055 1947	Director	Since 2007	Consultant, BlackRock from 2007 to 2008; Managing Director, BlackRock from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006.	155 RICs consisting of 282 Portfolios	None

[3] Mr. Audet is an interested person, as defined in the 1940 Act, of the Funds based on his position with BlackRock and its affiliates as well as his ownership of BlackRock securities. Mr. Gabbay is an interested person of the Funds based on his former positions with BlackRock and its affiliates as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are also Directors of two complexes of BlackRock registered open-end funds, the BlackRock Equity-Liquidity Complex and the BlackRock Equity-Bond Complex. Directors of the BlackRock Closed-End Complex serve until their resignation, removal or death, or until December 31

of the year in which they turn 74. The maximum age limitation may be waived as to any Director by action of a majority of the Directors upon finding a good cause thereof.

Officers and Directors (concluded)

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past Five Years
Officers[1]			
John M. Perlowski 55 East 52nd Street New York, NY 10055 1964	President and Chief Executive Officer	Since 2011	Managing Director of BlackRock since 2009; Global Head of BlackRock Fund Services since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009.
Anne Ackerley 55 East 52nd Street New York, NY 10055 1962	Vice President	Since 2007[2]	Managing Director of BlackRock since 2000; Chief Marketing Officer of BlackRock since 2012; President and Chief Executive Officer of the BlackRock-advised funds from 2009 to 2011; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock s Global Client Group from 2009 to 2012; Chief Operating Officer of BlackRock s U.S. Retail Group from 2006 to 2009; Head of BlackRock s Mutual Fund Group from 2000 to 2006.
Brendan Kyne 55 East 52nd Street New York, NY 10055 1977	Vice President	Since 2009	Managing Director of BlackRock since 2010; Director of BlackRock from 2008 to 2009; Head of Product Development and Management for BlackRock s U.S. Retail Group since 2009 and Co-head thereof from 2007 to 2009; Vice President of BlackRock from 2005 to 2008.
Robert W. Crothers 55 East 52nd Street New York, NY 10055 1981	Vice President	Since 2012	Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010; Associate of BlackRock from 2006 to 2007.
Neal Andrews 55 East 52nd Street New York, NY 10055 1966	Chief Financial Officer	Since 2007	Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006.
Jay Fife 55 East 52nd Street New York, NY 10055	Treasurer	Since 2007	Managing Director of BlackRock since 2007; Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised

1970			funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006.
Brian Kindelan 55 East 52nd Street New York, NY 10055 1959	Chief Compliance Officer and Anti-Money Laundering Officer	Since 2007	Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock since 2005.
Janey Ahn 55 East 52nd Street New York, NY 10055 1975	Secretary	Since 2012	Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012; Associate at Willkie Farr & Gallagher LLP from 2006 to 2008.

[1] Officers of the Funds serve at the pleasure of the Boards.

[2] Ms. Ackerley was President and Chief Executive Officer from 2009 to 2011. Effective September 13, 2013, Ms. Ackerley resigned as Vice President of the Funds.

Investment Advisor
BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisor
BlackRock Financial Management, Inc.
New York, NY 10055

Custodian and Accounting Agent
State Street Bank and Trust Company
Boston, MA 02110

Transfer Agent Common Shares
Computershare Trust Company, N.A.
Canton, MA 02021

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
Boston, MA 02116

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

Address of the Funds
100 Bellevue Parkway
Wilmington, DE 19809

Additional Information

Proxy Results

The Annual Meeting of Shareholders was held on July 30, 2013 for shareholders of record on June 3, 2013 to elect director nominees for each Fund. There were no broker non-votes with regard to any of the Funds.

Approved the Class III Directors as follows:

	Richard E. Cavanagh			Kathleen F. Feldstein			Henry Gabbay		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abs
BHL	6,546,922	68,493	0	6,550,553	64,862	0	6,546,922	68,493	
BLW	24,688,594	468,281	0	24,619,724	537,151	0	24,698,000	458,875	

For the Funds listed above, Directors whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Paul L. Audet, Michael J. Castellano, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

Approved the Directors as follows:

	Paul L. Audet			Michael J. Castellano			Richard E. Cavanagh		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abst
FRA	25,074,637	782,669	0	25,090,787	766,519	0	25,052,737	804,569	0
	Frank J. Fabozzi			**Kathleen F. Feldstein**			**James T. Flynn**		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abst
FRA	25,057,249	800,057	0	25,055,456	801,850	0	25,050,335	806,971	0
	Henry Gabbay			**Jerrold B. Harris**			**R. Glenn Hubbard**		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abst
FRA	25,081,206	776,100	0	25,049,813	807,493	0	25,016,748	840,558	0
	W. Carl Kester			**Karen P. Robards**					
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain			
FRA	25,066,302	791,004	0	25,078,794	778,512	0			

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Explanation of Responses:

Additional Information (continued)

Fund Certification

Certain Funds are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE s listing standards. The Funds filed with the SEC the certification of their chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

Regulation Regarding Derivatives

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

Dividend Policy

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

Additional Information (continued)

General Information

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

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

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

Electronic Delivery

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

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

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

Householding

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

Availability of Quarterly Schedule of Investments

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

Availability of Proxy Voting Policies and Procedures

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

Availability of Proxy Voting Record

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

Availability of Fund Updates

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

Additional Information (concluded)

Section 19(a) Notice

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

August 31, 2013

	Total Cumulative Distributions for the Fiscal Year-to-Date				% Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date			
	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share
FRA	$1.029000			$1.029000	100%	0%	0%	100%

BlackRock Privacy Principles

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

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

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

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

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

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Item 2 – Code of Ethics – The registrant (or the "Fund") has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 – Audit Committee Financial Expert – The registrant's board of directors (the "board of directors"), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Michael Castellano

Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

Item 4 – Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP ("D&T") in each of the last two fiscal years for the services rendered to the Fund:

	(a) Audit Fees		**(b) Audit-Related Fees[1]**		**(c) Tax Fees[2]**		**(d) All Other Fees[3]**	
Entity Name	**Current Fiscal Year End**	**Previous Fiscal Year End**	**Current Fiscal Year End**	**Previous Fiscal Year End**	**Current Fiscal Year End**	**Previous Fiscal Year End**	**Current Fiscal Year End**	**Previous Fiscal Year End**
BlackRock Floating Rate Income Strategies Fund, Inc.	$66,638	$58,500	$0	$31,900	$21,800	$20,550	$0	$0

The following table presents fees billed by D&T that were required to be approved by the registrant's audit committee (the "Committee") for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC ("Investment Adviser" or "BlackRock") and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund ("Fund Service Providers"):

	Current Fiscal Year End	**Previous Fiscal Year End**
(b) Audit-Related Fees[1]	$0	$0
(c) Tax Fees[2]	$0	$0
(d) All Other Fees[3]	$2,865,000	$2,970,000

[1] The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

[2] The nature of the services includes tax compliance, tax advice and tax planning.

[3] Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are (a) consistent with the SEC's auditor independence rules and (b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed $10,000 attributable to the registrant or $50,000 per project. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g.,

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unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

Entity Name	**Current Fiscal Year End**	**Previous Fiscal Year End**
BlackRock Floating Rate Income Strategies Fund, Inc.	$21,800	$52,450

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of $2,865,000 and $2,970,000, respectively, were billed by D&T to the Investment Adviser.
(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser, and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant’s independence.

Item 5 – Audit Committee of Listed Registrants

(a) The following individuals are members of the registrant’s separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano
Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards

(b) Not Applicable

Item 6 – Investments
(a) The registrant’s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

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

Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – The board of directors has delegated the voting of proxies for the Fund’s portfolio securities to the Investment Adviser pursuant to the Investment Adviser’s proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund’s stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser’s Equity Investment Policy Oversight Committee, or a sub-committee thereof (the “Oversight Committee”) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser’s clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser’s Portfolio Management Group and/or the Investment Adviser’s Legal and Compliance Department and concluding that the vote cast is in its client’s best interest notwithstanding the conflict. A copy of the Fund’s Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at www.blackrock.com and (ii) on the SEC’s website at http://www.sec.gov.

Item 8 – Portfolio Managers of Closed-End Management Investment Companies – as of August 31, 2013.

(a)(1) The registrant is managed by a team of investment professionals comprised of Leland Hart, Managing Director at BlackRock, and C. Adrian Marshall, Director of BlackRock. Each is jointly responsible for the day-to-day management of the registrant’s portfolio, which includes setting the registrant’s overall investment strategy, overseeing the management of the registrant and/or selection of its investments. Messrs. Hart and Marshall have been members of the registrant’s portfolio management team since 2009.

Portfolio Manager	**Biography**
Leland Hart	Managing Director of BlackRock since 2009; Partner of R3 Capital Partners ("R3") in 2009; Managing Director of R3 from 2008 to 2009; Managing Director of Lehman Brothers from 2006 to 2008; Executive Director of Lehman Brothers from 2003 to 2006.
C. Adrian Marshall	Director of BlackRock since 2007; Vice President of BlackRock from 2004 to 2007.

(a)(2) As of August 31, 2013:

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(i) Name of Portfolio Manager	(ii) Number of Other Accounts Managed and Assets by Account Type			(iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based		
	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
Leland Hart	7	18	12	0	7	0
	$4.20 Billion	$3.9 Billion	$3.27 Billion	$0	$1.16 Billion	$0
C. Adrian Marshall	7	18	12	0	7	0
	$4.20 Billion	$3.9 Billion	$3.27 Billion	$0	$1.16 Billion	$0

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, Inc., its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, Inc., or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock, Inc.'s (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock, Inc. or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Hart and Marshall may be managing certain hedge fund and/or long only accounts, or may be part of a team managing certain hedge fund and/or long only accounts, subject to incentive fees. Messrs. Hart and Marshall may therefore be entitled to receive a portion of any incentive fees earned on such accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock, Inc. has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with

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Explanation of Responses:

sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

(a)(3) As of August 31, 2013:

Portfolio Manager Compensation Overview

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

Base Compensation.

Generally, portfolio managers receive base compensation based on their position with BlackRock, Inc.

Discretionary Incentive Compensation.

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts are a combination of market-based indices (e.g., S&P Leveraged All Loan Index), certain customized indices and certain fund industry peer groups.

Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total

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compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock stock puts compensation earned by a portfolio manager for a given year "at risk" based on BlackRock's ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

Long-Term Incentive Plan Awards — From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. Messrs. Hart and Marshall have unvested long-term incentive awards.

Deferred Compensation Program — A portion of the compensation paid to eligible United States-based BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm's investment products. Any portfolio manager who is either a managing director or director at BlackRock is eligible to participate in the deferred compensation program.

Other Compensation Benefits. In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans — BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at $5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the Internal Revenue Service limit ($255,000 for 2013). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock, Inc. common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of $25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* – As of August 31, 2013.

Portfolio Manager	Dollar Range of Equity Securities of the Fund Beneficially Owned
Leland Hart	$100,001-$500,000
C. Adrian Marshall	$10,001-$50,000

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(b) Not Applicable

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable due to no such purchases during the period covered by this report.

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

Item 11 – Controls and Procedures

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

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

Item 12 – Exhibits attached hereto

(a)(1) – Code of Ethics – See Item 2
(a)(2) – Certifications – Attached hereto

(a)(3) – Not Applicable

(b) – Certifications – Attached hereto

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

BlackRock Floating Rate Income Strategies Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Floating Rate Income Strategies Fund, Inc.

Date: November 4, 2013

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

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Floating Rate Income Strategies Fund, Inc.

Date: November 4, 2013

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Floating Rate Income Strategies Fund, Inc.

Date: November 4, 2013