

BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC

Form N-CSRS

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

**FORM N-CSR**

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

Investment Company Act file number 811-21413

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock  
Floating Rate Income Strategies Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2011

Date of reporting period: 02/28/2011

Item 1 Report to Stockholders

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**February 28, 2011**

## **Semi-Annual Report (Unaudited)**

BlackRock Defined Opportunity Credit Trust (BHL)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

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

BlackRock Limited Duration Income Trust (BLW)

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.

**Not FDIC Insured • No Bank Guarantee • May Lose Value**

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## Dear Shareholder

Over the past 12 months, we have seen a sluggish, stimulus-driven economic recovery at long last gain real traction, accelerate, and transition into a consumption-driven expansion. For the most part, 2010 was plagued with widely fluctuating economic data, but as the year drew to a close, it became clear that cyclical stimulus had beaten out structural problems as economic data releases generally became more positive and financial markets showed signs of continuing improvement. Although the sovereign debt crises and emerging market inflation that troubled the global economy in 2010 remain a challenge, overall investor sentiment considerably improved. Near the end of the period, geopolitical tensions across the Middle East North Africa ("MENA") region along with rising oil prices introduced new cause for concern about the future of the global economy. As of this writing, economic news remains fairly positive although we face additional uncertainties related to the aftermath of the devastating earthquake in Japan, with particular focus on the damage to nuclear power plants.

In the United States, strength from the corporate sector and increasing consumer spending have been key drivers of economic growth, while the housing and labor markets have been the heaviest burdens. While housing has yet to show any meaningful sign of improvement, labor statistics have delivered a mixed bag month after month, but became increasingly encouraging toward the end of the period when the unemployment rate fell to its lowest level since April 2009.

Global equity markets experienced uneven growth and high volatility over the course of 2010, but ended the year strong. Following a strong start to 2011, stocks lost their momentum on the back of geopolitical events in the MENA region and a sharp rise in oil prices. Overall, equities posted strong returns for the 12-month period. US stocks outpaced most international markets and small cap stocks outperformed large caps as investors moved into higher-risk assets.

Fixed income markets saw yields trend lower over most of 2010, until the fourth quarter brought an abrupt reversal in sentiment and risk tolerance that drove yields sharply upward (pushing bond prices down) through year end. Improving economic data continued to pressure fixed income yields in 2011; however, escalating geopolitical risks have acted as a counterweight, restoring relative stability to yield movements. Nevertheless, the yield curve remained steep and higher-risk sectors outperformed the fixed income market.

The tax-exempt municipal market enjoyed a powerful rally during the period of low interest rates in 2010; however, when the yield trend reversed, the market was dealt an additional blow as it became evident that the Build America Bond program would expire at year end. In addition, negative headlines regarding fiscal challenges faced by state and local governments damaged investor confidence and further heightened volatility in the municipal market. Tax-exempt mutual funds experienced heavy outflows, resulting in wider quality spreads and further downward pressure on municipal bond prices. These headwinds began to abate as the period came to a close and municipals finally posted gains in February, following a five-month run of negative performance.

Cash investments, as represented by the 3-month Treasury bill, returned only a fraction over 0% for the 12-month period as short-term interest rates remained low. Yields on money market securities remain near all-time lows.

| <b>Total returns as of February 28, 2011</b>  | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| US large cap equities (S&P 500 Index)   | 27.73%         | 22.57%          |
| US small cap equities (Russell 2000 Index)  | 37.55          | 32.60           |
| International equities (MSCI Europe, Australasia, Far East Index)                     | 23.77          | 20.00           |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)                | 0.07           | 0.14            |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)                 | (6.04)         | 4.76            |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index)                  | (0.83)         | 4.93            |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)                    | (3.51)         | 1.72            |
| US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 10.05          | 17.34           |

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

While no one can peer into a crystal ball and eliminate the uncertainties presented by the economic landscape and financial markets, BlackRock can offer investors the next best thing: partnership with the world's largest asset management firm and a unique global perspective that allows us to identify trends early and capitalize on market opportunities. For additional market perspective and investment insight, visit [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine), where you'll find the most recent issue of our award-winning Shareholder® magazine, as well as its quarterly companion newsletter, Shareholder Perspectives. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

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## Fund Summary as of February 28, 2011 **BlackRock Defined Opportunity Credit Trust**

### Investment Objective

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

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

### Portfolio Management Commentary

#### How did the Fund perform?

•For the six months ended February 28, 2011, the Fund returned 17.57% based on market price and 8.77% based on net asset value ("NAV"). For the same period, the Lipper Loan Participation Funds category posted an average return of 14.91% based on market price and 9.11% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

•The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Fund invests primarily in bank loans, and it held an average of 10% of its portfolio in corporate bonds during the period, the use of leverage had a positive impact on returns as these sectors advanced. However, the Fund maintains a lower level of leverage (at an average amount between 18% and 23%) than the average level maintained by the leveraged funds in its Lipper category, which detracted from performance on a relative basis. In addition, the Fund maintains a relatively conservative portfolio, weighted toward higher-quality speculative investments, which detracted from performance as lower quality outperformed during the period.

•Conversely, the Fund's greater allocation to high yield bonds relative to its Lipper category competitors had a positive impact on performance.

#### Describe recent portfolio activity.

- During the period, the Fund modestly increased its level of risk and use of leverage as market conditions improved. In particular, the Fund increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

- At period end, the Fund held 86% of its total portfolio in floating rate loan interests and 10% in corporate bonds, with the remainder in asset-backed securities, common stocks and equity equivalents. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 21% of its total managed assets.

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

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**BlackRock Defined Opportunity Credit Trust****Fund Information**

|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange ("NYSE")                                   | BHL              |
| Initial Offering Date  | January 31, 2008 |
| Yield on Closing Market Price as of February 28, 2011 (\$14.69) <sup>1</sup> | 5.39%            |
| Current Monthly Distribution per Share <sup>2</sup>                          | \$0.066          |
| Current Annualized Distribution per Share <sup>2</sup>                       | \$0.792          |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 21%              |

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

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 16.

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

|                 | 2/28/11 | 8/31/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.69 | \$12.86 | 14.23% | \$14.72 | \$12.81 |
| Net Asset Value | \$14.32 | \$13.55 | 5.68%  | \$14.37 | \$13.55 |

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

**Portfolio Composition**

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 86%     | 83%     |
| Corporate Bonds              | 10      | 15      |
| Asset-Backed Securities      | 3       | —       |
| Other Interests              | 1       | 1       |
| Common Stocks                | —       | 1       |

**Credit Quality Allocations<sup>4</sup>**

|         | 2/28/11 | 8/31/10 |
|---------|---------|---------|
| BBB/Baa | 10%     | 11%     |
| BB/Ba   | 36      | 44      |
| B       | 54      | 44      |



CCC/Caa

—

1

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

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## Fund Summary as of February 28, 2011 **BlackRock Diversified Income Strategies Fund, Inc.**

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

#### **How did the Fund perform?**

•For the six months ended February 28, 2011, the Fund returned 10.13% based on market price and 8.93% based on NAV. For the same period, the Lipper Loan Participation Funds category posted an average return of 14.91% based on market price and 9.11% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### **What factors influenced performance?**

•The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Fund invests primarily in bank loans, and it held an average of 14% of its portfolio in corporate bonds during the period, the use of leverage had a positive impact on returns as these sectors advanced. However, the Fund maintains a lower level of leverage (at an average amount between 20% and 26%) than the average level maintained by the leveraged funds in its Lipper category, which detracted from performance on a relative basis. In addition, the Fund maintains a relatively conservative portfolio, weighted toward higher-quality speculative investments, which detracted from performance as lower quality outperformed during the period.

•Conversely, the Fund's greater allocation to high yield bonds relative to its Lipper category competitors had a positive impact on performance.

**Describe recent portfolio activity.**

•During the period, the Fund modestly increased its level of risk and use of leverage as market conditions improved. In particular, the Fund increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

•At period end, the Fund held 80% of its total portfolio in floating rate loan interests and 14% in corporate bonds, with the remainder in asset-backed securities, common stocks and equity equivalents. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 21% of its total managed assets.

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

**BlackRock Diversified Income Strategies Fund, Inc.****Fund Information**

|  |                  |
|--|------------------|
| Symbol on NYSE   | DVF              |
| Initial Offering Date  | January 31, 2005 |
| Yield on Closing Market Price as of February 28, 2011 (\$11.11) <sup>1</sup> | 6.86%            |
| Current Monthly Distribution per Share <sup>2</sup>                          | \$0.0635         |
| Current Annualized Distribution per Share <sup>2</sup>                       | \$0.7620         |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 21%              |

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

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 16.

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

|                 | 2/28/11 | 8/31/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$11.11 | \$10.45 | 6.32%  | \$11.75 | \$10.18 |
| Net Asset Value | \$11.01 | \$10.47 | 5.16%  | \$11.06 | \$10.47 |

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

**Portfolio Composition**

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 80%     | 76%     |
| Corporate Bonds              | 14      | 20      |
| Asset-Backed Securities      | 3       | —       |
| Other Interests              | 2       | 2       |
| Common Stocks                | 1       | 2       |

**Credit Quality Allocations<sup>4</sup>**

|         | 2/28/11 | 8/31/10 |
|---------|---------|---------|
| BBB/Baa | 8%      | 4%      |
| BB/Ba   | 35      | 32      |
| B       | 40      | 46      |
| CCC/Caa | 9       | 11      |
| CC/Ca   | —       | 1       |

Not Rated

8

6

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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## Fund Summary as of February 28, 2011 **BlackRock Floating Rate Income Strategies Fund, Inc.**

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

#### **How did the Fund perform?**

•For the six months ended February 28, 2011, the Fund returned 8.59% based on market price and 9.47% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 14.91% based on market price and 9.11% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### **What factors influenced performance?**

•The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Fund invests primarily in bank loans, and it held an average of 15% of its portfolio in corporate bonds during the period, the use of leverage had a positive impact on returns (on an absolute basis) as these sectors advanced. Holding a greater allocation to high yield bonds relative to its Lipper category competitors drove the Fund's outperformance.

•The Fund maintains a relatively conservative portfolio, weighted toward higher-quality speculative investments, which detracted from performance as lower quality outperformed during the period. In addition, the Fund maintains a lower level of leverage (at an average amount between 18% and 22% of its total managed assets) than the average level maintained by its Lipper category competitors, which detracted from performance on a

relative basis.

**Describe recent portfolio activity.**

•During the period, the Fund modestly increased its level of risk and use of leverage as market conditions improved. In particular, the Fund increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

•At period end, the Fund held 81% of its total portfolio in floating rate loan interests and 15% in corporate bonds, with the remainder in asset-backed securities, common stocks and equity equivalents. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 18% of its total managed assets.

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

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**BlackRock Floating Rate Income Strategies Fund, Inc.**

**Fund Information**

|  |                  |
|--|------------------|
| Symbol on NYSE   | FRA              |
| Initial Offering Date  | October 31, 2003 |
| Yield on Closing Market Price as of February 28, 2011 (\$15.38) <sup>1</sup> | 6.01%            |
| Current Monthly Distribution per Share <sup>2</sup>                          | \$0.077          |
| Current Annualized Distribution per Share <sup>2</sup>                       | \$0.924          |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 18%              |

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

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) that may be outstanding, minus the sum of accrued liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 16.

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

|                 | 2/28/11 | 8/31/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$15.38 | \$14.61 | 5.27%  | \$15.84 | \$14.02 |
| Net Asset Value | \$15.24 | \$14.36 | 6.13%  | \$15.26 | \$14.36 |

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

**Portfolio Composition**

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 81%     | 76%     |
| Corporate Bonds              | 15      | 22      |
| Asset-Backed Securities      | 3       | —       |
| Other Interests              | 1       | 1       |
| Common Stocks                | —       | 1       |

**Credit Quality Allocations<sup>4</sup>**

|         | 2/28/11 | 8/31/10 |
|---------|---------|---------|
| BBB/Baa | 7%      | 5%      |
| BB/Ba   | 36      | 33      |
| B       | 46      | 50      |
| CCC/Caa | 4       | 6       |



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|           |   |   |
|-----------|---|---|
| CC/Ca     | — | 1 |
| Not Rated | 7 | 5 |

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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## Fund Summary as of February 28, 2011 **BlackRock Limited Duration Income Trust**

### Investment Objective

BlackRock Limited Duration Income Trust's (BLW) (the "Fund") investment objective is to provide current income and capital appreciation. The Fund seeks

to achieve its investment objective by investing primarily in three distinct asset classes:

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

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

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

### Portfolio Management Commentary

#### How did the Fund perform?

•For the six months ended February 28, 2011, the Fund returned 5.33% based on market price and 8.73% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

•High yield bonds delivered strong performance as risk assets rallied during the period. While the Fund's average allocation to high yield contributed to performance on an absolute basis, its average allocation to bank loans and to investment grade credit, both of which sectors underperformed high yield, hurt performance relative to its Lipper category competitors, which invest primarily in high yield bonds. The Fund maintained leverage at an average amount between 20% and 22% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing.

•Security selection within the Fund's high yield allocation had a positive impact on performance, as did a bias toward lower-quality credits. Within the Fund's investment grade segment, limited exposure to corporate bonds and a large allocation to securitized assets proved beneficial. In addition, the Fund's relatively modest portfolio duration and exposure to more credit-sensitive sectors benefited performance as interest rates rose during the period.

**Describe recent portfolio activity.**

•Over the period, the Fund shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. In particular, the Fund increased exposure to lower-quality credits and sectors that are more favorably impacted by higher commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

•At period end, the Fund held 38% of its total portfolio in corporate bonds, 38% in floating rate loan interests, 10% in non-agency mortgage-backed securities, 8% in U.S. government sponsored agency securities, and 4% in asset-backed securities. The remainder of the portfolio was invested in taxable municipal bonds, equities and equity equivalents, while the Fund's cash position was negligible. The Fund ended the period with leverage at approximately 21% of its total managed assets.

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

**BlackRock Limited Duration Income Trust****Fund Information**

|  |               |
|--|---------------|
| Symbol on NYSE   | BLW           |
| Initial Offering Date  | July 30, 2003 |
| Yield on Closing Market Price as of February 28, 2011 (\$17.00) <sup>1</sup> | 6.71%         |
| Current Monthly Distribution per Share <sup>2</sup>                          | \$0.095       |
| Current Annualized Distribution per Share <sup>2</sup>                       | \$1.140       |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 21%           |

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

<sup>2</sup> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Share was increased to \$0.10. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 16.

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

|                 | <b>2/28/11</b> | <b>8/31/10</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price    | \$17.00        | \$16.76        | 1.43%         | \$17.84     | \$15.56    |
| Net Asset Value | \$17.58        | \$16.79        | 4.71%         | \$17.58     | \$16.79    |

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

**Portfolio Composition**

|   | <b>2/28/11</b> | <b>8/31/10</b> |
|---|----------------|----------------|
| Floating Rate Loan Interests                | 38%            | 39%            |
| Corporate Bonds                             | 38             | 34             |
| Non-Agency Mortgage-Backed Securities       | 10             | 11             |
| U.S. Government Sponsored Agency Securities | 8              | 7              |
| Asset-Backed Securities                     | 4              | 5              |
| Other Interests                             | 1              | 1              |
| Taxable Municipal Bonds                     | 1              | 1              |
| Foreign Agency Obligations                  | —              | 2              |

**Credit Quality Allocations<sup>4</sup>**

|                      | <b>2/28/11</b> | <b>8/31/10</b> |
|----------------------|----------------|----------------|
| AAA/Aaa <sup>5</sup> | 17%            | 18%            |
| AA/Aa                | 2              | 2              |
| A                    | 5              | 6              |
| BBB/Baa              | 8              | 8              |
| BB/Ba                | 26             | 30             |
| B                    | 33             | 28             |
| CCC/Caa              | 7              | 6              |
| Not Rated            | 2              | 2              |

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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

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## Fund Summary as of February 28, 2011 **BlackRock Senior Floating Rate Fund, Inc.**

### **Investment Objective**

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

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

### **Portfolio Management Commentary**

#### **How did the Fund perform?**

•For the six months ended February 28, 2011, through its investment in the Master LLC, the Fund returned 6.61% based on NAV while the closed-end Lipper Loan Participation Funds category posted an average NAV return of 9.11% for the same period. All returns reflect reinvestment of dividends.

#### **What factors influenced performance?**

•The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Master LLC does not employ leverage, the Fund is expected to underperform its Lipper category under strong market conditions as the category includes many leveraged competitors. The Fund performed as expected relative to its Lipper category as the bank loan and high yield sectors advanced over the period.

•The Master LLC maintains a relatively conservative portfolio, weighted toward higher-quality credits and loan structures. This strategy had a negative impact on relative performance as lower quality outperformed during the period.

- Conversely, the Master LLC's greater allocation to high yield bonds (averaging 11% of the portfolio during the period) relative to the Fund's Lipper category competitors had a positive impact on performance as high yield outperformed the bank loan sector.

- The Master LLC frequently held cash committed for pending transactions; these cash balances did not have a significant impact on performance.

**Describe recent portfolio activity.**

- During the period, the Master LLC modestly increased its level of risk as market conditions improved. In particular, the Master LLC increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

- At period end, the Master LLC held 88% of its total portfolio in floating rate loan interests and 12% in corporate bonds.

- Effective March 21, 2011, the Fund merged into BlackRock Floating Rate Income Portfolio, please refer to Notes 1 and 10 of the Notes to Financial Statements.

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

**BlackRock Senior Floating Rate Fund, Inc.**

**Fund Information<sup>1</sup>**

|  |                  |
|--|------------------|
| Initial Offering Date  | November 3, 1989 |
| Yield based on Net Asset Value as of February 28, 2011 (\$7.92) <sup>2</sup> | 3.55%            |
| Current Monthly Distribution per Share <sup>3</sup>                          | \$0.021539       |
| Current Annualized Distribution per Share <sup>3</sup>                       | \$0.280776       |

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

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

<sup>3</sup> The distribution rate is not constant and is subject to change.

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

|                 | 2/28/11 | 8/31/10 | Change | High   | Low    |
|-----------------|---------|---------|--------|--------|--------|
| Net Asset Value | \$7.92  | \$7.59  | 4.35%  | \$7.92 | \$7.59 |

**Expense Example for Continuously Offered Closed-End Funds**

|   | Actual   |                      |               | Hypothetical <sup>5</sup>                        |                      |               | Annualized Expense Ratio |
|---|--|----------------------|---------------|--|----------------------|---------------|--------------------------|
|   | Beginning Account Value                          | Ending Account Value | Expenses Paid | Beginning Account Value                          | Ending Account Value | Expenses Paid |                          |
|   | September 1, 2010 During the Period <sup>4</sup> | February 28, 2011    |               | September 1, 2010 During the Period <sup>4</sup> | February 28, 2011    |               |                          |
| BlackRock Senior Floating Rate Fund, Inc. | \$1,000.00                                       | \$1,066.10           | \$8.25        | \$1,000.00                                       | \$1,016.82           | \$8.05        | 1.61%                    |

<sup>4</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown).

Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

<sup>5</sup> Hypothetical 5% annual return before expenses is calculated by multiplying the number of days in the most recent fiscal half year divided by 365. See "Disclosure of Expenses for Continuously Offered Closed-End Funds" on page 17 for further information on how expenses were calculated.



## Fund Summary as of February 28, 2011 **BlackRock Senior Floating Rate Fund II, Inc.**

### Investment Objective

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

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

### Portfolio Management Commentary

#### How did the Fund perform?

•For the six months ended February 28, 2011, through its investment in the Master LLC, the Fund returned 6.61% based on NAV while the closed-end Lipper Loan Participation Funds category posted an average NAV return of 9.11% for the same period. All returns reflect reinvestment of dividends.

#### What factors influenced performance?

•The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Master LLC does not employ leverage, the Fund is expected to underperform its Lipper category under strong market conditions as the category includes many leveraged competitors. The Fund performed as expected relative to its Lipper category as the bank loan and high yield sectors advanced over the period.

•The Master LLC maintains a relatively conservative portfolio, weighted toward higher-quality credits and loan structures. This strategy had a negative impact on relative performance as lower quality outperformed during the period.

- Conversely, the Master LLC's greater allocation to high yield bonds (averaging 11% of the portfolio during the period) relative to the Fund's Lipper category competitors had a positive impact on performance as high yield outperformed the bank loan sector.

- The Master LLC frequently held cash committed for pending transactions; these cash balances did not have a significant impact on performance.

**Describe recent portfolio activity.**

- During the period, the Master LLC modestly increased its level of risk as market conditions improved. In particular, the Master LLC increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

**Describe portfolio positioning at period end.**

- At period end, the Master LLC held 88% of its total portfolio in floating rate loan interests and 12% in corporate bonds.

- Effective March 21, 2011, the Fund merged into BlackRock Floating Rate Income Portfolio, please refer to Notes 1 and 10 of the Notes to Financial Statements.

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

**BlackRock Senior Floating Rate Fund II, Inc.**

**Fund Information<sup>1</sup>**

|  |                |
|--|----------------|
| Initial Offering Date  | March 26, 1999 |
| Yield based on Net Asset Value as of February 28, 2011 (\$8.58) <sup>2</sup> | 3.88%          |
| Current Monthly Distribution per Share <sup>3</sup>                          | \$0.025547     |
| Current Annualized Distribution per Share <sup>3</sup>                       | \$0.333023     |

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

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

<sup>3</sup> The distribution rate is not constant and is subject to change.

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

|                 | 2/28/11 | 8/31/10 | Change | High   | Low    |
|-----------------|---------|---------|--------|--------|--------|
| Net Asset Value | \$8.58  | \$8.22  | 4.38%  | \$8.58 | \$8.22 |

**Expense Example for Continuously Offered Closed-End Funds**

|  | Actual                                    |                      |               | Hypothetical <sup>5</sup>                        |                      |                          |       |
|--|---|----------------------|---------------|--|----------------------|--------------------------|-------|
|  | Beginning Account Value                   | Ending Account Value | Expenses Paid | Beginning Account Value                          | Ending Account Value | Expenses Paid            |       |
|  | September 1, 2010 the Period <sup>4</sup> | February 28, 2011    | During        | September 1, 2010 During the Period <sup>4</sup> | February 28, 2011    | Annualized Expense Ratio |       |
| BlackRock Senior Floating Rate Fund II, Inc. | \$1,000.00                                | \$1,066.10           | \$8.56        | \$1,000.00                                       | \$1,016.52           | \$8.35                   | 1.67% |

<sup>4</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown).

Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

<sup>5</sup> Hypothetical 5% annual return before expenses is calculated by pro rating the number of days in the most recent fiscal half year divided by 365. See "Disclosure of Expenses for Continuously Offered Closed-End Funds" on page 17 for further information on how expenses were calculated.

## The Benefits and Risks of Leveraging

BHL, DVF, FRA and BLW may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage by borrowing through a credit facility, participation in the TALF, or through entering into reverse repurchase agreements and treasury roll transactions. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies

inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and shareholders, but as described above, it also creates risks as short or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility, through participation in the TALF or entering into reverse repurchase agreements up to  $33\frac{1}{3}\%$  of their total managed assets. As of February 28, 2011, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

|     | <b>Percent of<br/>Leverage</b> |
|-----|--------------------------------|
| BHL | 21%                            |
| DVF | 21%                            |
| FRA | 18%                            |
| BLW | 21%                            |

## Derivative Financial Instruments

The Funds may invest in various derivative instruments, including swaps, financial futures contracts, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, interest rate, credit, equity and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Funds' ability to use a derivative instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Disclosure of Expenses for Continuously Offered Closed-End Funds

Shareholders of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. may incur the following charges:

(a) expenses related to transactions, including early withdrawal fees; and  
(b) operating expenses including administration fees, and other Fund expenses. The examples on the previous pages (which are based on a hypothetical investment of \$1,000 invested on September 1, 2010 and held through February 28, 2011) are intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The tables provide information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number corresponding to their Fund under the heading entitled "Expenses Paid During the Period."

The tables also provide information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in these Funds and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

The expenses shown in the tables are intended to highlight shareholders'

ongoing costs only and do not reflect any transactional expenses, such as early withdrawal fees. Therefore, the hypothetical examples are useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

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## Schedule of Investments February 28, 2011 (Unaudited)

### BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

| <b>Asset-Backed Securities</b>   | <b>Par<br/>(000)</b> | <b>Value</b>     |
|--|----------------------|------------------|
| ARES CLO Funds (a)(b):   |                      |                  |
| Series 2005-10A, Class B, 0.69%, 9/18/17                                     | USD<br>250           | \$ 220,000       |
| Series 2011-16A, Class C, 2.90%, 5/17/21 (c)                                 | 500                  | 493,150          |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B,<br>0.78%, 6/19/21 (a)(b)   | 345                  | 294,816          |
| Centurion CDO 9 Ltd., Series 2005-9A, Class B,<br>1.07%, 7/17/19 (a)(b)      | 500                  | 411,605          |
| Flagship CLO, Series 2006-1A, Class B,<br>0.64%, 9/20/19 (a)(b)              | 1,000                | 825,000          |
| Fraser Sullivan CLO Ltd., Series 2006-2A, Class B,<br>0.70%, 12/20/20 (a)(b) | 500                  | 441,875          |
| Gannett Peak CLO Ltd., Class A2:   |                      |                  |
| Series 2006-1A, 0.66%, 10/27/20 (a)(b)                                       | 380                  | 327,275          |
| Series 2006-1X, 0.66%, 10/27/20  | 265                  | 223,263          |
| Goldman Sachs Asset Management CLO Plc,                                      |                      |                  |
| Series 2007-1A, Class B, 0.75%, 8/01/22 (a)(b)                               | 580                  | 487,490          |
| KKR CLO Ltd., Series 2005-1A, Class B,                                       |                      |                  |
| 0.75%, 4/26/17 (a)(b)  | 500                  | 456,250          |
| LCM LP, Series 8A, Class C, 3.37%, 1/14/21 (a)(b)                            |                      |                  |
| Landmark CDO Ltd., Series 2006-8A, Class B,<br>0.66%, 10/19/20 (a)(b)        | 495                  | 430,571          |
| MAPS CLO Fund LLC, Series 2005-1A, Class C,                                  |                      |                  |
| 1.25%, 12/21/17 (a)(b)   | 260                  | 226,850          |
| Portola CLO Ltd., Series 2007-1X, Class B1,<br>1.76%, 11/15/21               |                      |                  |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B,<br>0.90%, 7/15/19 (a)(b)   | 300                  | 257,379          |
| <b>Total Asset-Backed Securities — 4.4%</b>                                  |                      | <b>5,718,524</b> |
| <b>Common Stocks (d)</b>   |                      |                  |
| <b>Capital Markets — 0.2%</b>  |                      |                  |
| E*Trade Financial Corp.  | 16,300               | 260,474          |
| <b>Hotels, Restaurants &amp; Leisure — 0.2%</b>                              |                      |                  |
| BLB Worldwide Holdings, Inc.   | 21,020               | 210,200          |
| <b>Software — 0.2%</b>   |                      |                  |



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|   |     |              |              |
|---|-----|--------------|--------------|
| HMH Holdings/EduMedia   |     | 53,267       | 266,335      |
| <b>Total Common Stocks — 0.6%</b>                                     |     |              | 737,009      |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Airlines — 0.4%</b>  |     |              |              |
| Air Canada, 9.25%, 8/01/15 (a)  | USD | 250          | 267,500      |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16                      |     | 271          | 292,181      |
|   |     |              | 559,681      |
| <b>Auto Components — 0.9%</b>   |     |              |              |
| Delphi International Holdings Unsecured,<br>12.00%, 10/06/14          |     | 13           | 14,215       |
| Icahn Enterprises LP, 7.75%, 1/15/16                                  |     | 1,125        | 1,161,562    |
|   |     |              | 1,175,777    |
| <b>Chemicals — 0.4%</b>   |     |              |              |
| CF Industries, Inc., 6.88%, 5/01/18                                   |     | 415          | 458,316      |
|   |     |              |              |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Commercial Banks — 1.2%</b>  |     |              |              |
| CIT Group, Inc.:  |     |              |              |
| 7.00%, 5/01/16  | USD | 180          | \$ 181,575   |
| 7.00%, 5/01/17  |     | 1,390        | 1,400,425    |
|   |     |              | 1,582,000    |
| <b>Commercial Services &amp; Supplies — 0.4%</b>                      |     |              |              |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)                       |     | 476          | 489,090      |
| <b>Consumer Finance — 0.4%</b>  |     |              |              |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)                             |     | 425          | 456,875      |
| <b>Containers &amp; Packaging — 0.6%</b>                              |     |              |              |
| Berry Plastics Corp., 8.25%, 11/15/15                                 |     | 700          | 749,875      |
| <b>Diversified Financial Services — 1.0%</b>                          |     |              |              |
| Ally Financial, Inc., 2.51%, 12/01/14 (b)                             |     | 1,025        | 1,007,221    |
| FCE Bank Plc, 7.13%, 1/15/13  | EUR | 50           | 72,707       |
| Reynolds Group Issuer, Inc., 6.88%, 2/15/21 (a)                       | USD | 185          | 185,462      |
|   |     |              | 1,265,390    |
| <b>Diversified Telecommunication Services — 0.4%</b>                  |     |              |              |
| ITC Deltacom, Inc., 10.50%, 4/01/16                                   |     | 180          | 197,550      |
| Qwest Communications International, Inc., Series B,<br>7.50%, 2/15/14 |     | 347          | 352,205      |
|   |     |              | 549,755      |
| <b>Electronic Equipment, Instruments &amp; Components — 0.2%</b>      |     |              |              |

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|   |       |           |
|---|-------|-----------|
| CDW LLC, 8.00%, 12/15/18 (a)                                    | 230   | 247,250   |
| <b>Food Products — 0.4%</b>                                     |       |           |
| B&G Foods, Inc., 7.63%, 1/15/18                                 | 300   | 320,250   |
| Smithfield Foods, Inc., 10.00%, 7/15/14                         | 177   | 208,860   |
|   |       | 529,110   |
| <b>Health Care Providers &amp; Services — 0.2%</b>              |       |           |
| HCA, Inc., 7.25%, 9/15/20                                       | 220   | 237,325   |
| <b>Health Care Technology — 0.8%</b>                            |       |           |
| IMS Health, Inc., 12.50%, 3/01/18 (a)                           | 850   | 996,625   |
| <b>Hotels, Restaurants &amp; Leisure — 0.2%</b>                 |       |           |
| MGM Resorts International, 11.13%, 11/15/17                     | 240   | 276,600   |
| <b>Household Durables — 0.6%</b>                                |       |           |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                        | 715   | 831,188   |
| <b>Independent Power Producers &amp; Energy Traders — 2.9%</b>  |       |           |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)         | 890   | 965,650   |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (a)               | 400   | 416,541   |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 | 1,325 | 1,383,104 |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)                            | 1,000 | 1,041,250 |
|   |       | 3,806,545 |
| <b>Media — 1.2%</b>   |       |           |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17      | 185   | 205,350   |
| Series B, 9.25%, 12/15/17                                       | 740   | 823,250   |
| UPC Germany GmbH, 8.13%, 12/01/17 (a)                           | 500   | 536,250   |
|   |       | 1,564,850 |
| <b>Metals &amp; Mining — 0.7%</b>                               |       |           |
| FMG Resources August 2006 Pty Ltd.,<br>7.00%, 11/01/15 (a)      | 385   | 399,437   |
| Novelis, Inc., 8.38%, 12/15/17 (a)                              | 430   | 474,075   |
|   |       | 873,512   |

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|            |                   |             |                                      |
|------------|-------------------|-------------|--------------------------------------|
| <b>CAD</b> | Canadian Dollar   | <b>GO</b>   | General Obligation                   |
| <b>EUR</b> | Euro              | <b>MSCI</b> | Morgan Stanley Capital International |
| <b>FKA</b> | Formerly Known As | <b>USD</b>  | US Dollar                            |
| <b>GBP</b> | British Pound     |             |                                      |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>                                       |     |              |            |
| <b>Oil, Gas &amp; Consumable Fuels — 0.1%</b>                |     |              |            |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a)                | USD | 126          | \$ 137,340 |
| <b>Paper &amp; Forest Products — 0.2%</b>                    |     |              |            |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                    |     | 200          | 220,500    |
| <b>Wireless Telecommunication Services — 1.1%</b>            |     |              |            |
| Cricket Communications, Inc., 7.75%, 5/15/16                 |     | 1,125        | 1,189,688  |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13       |     | 275          | 277,234    |
|  |     |              | 1,466,922  |
| <b>Total Corporate Bonds — 14.3%</b>                         |     |              | 18,474,526 |
| <b>Floating Rate Loan Interests (b)</b>                      |     |              |            |
| <b>Aerospace &amp; Defense — 3.0%</b>                        |     |              |            |
| DynCorp International, Term Loan, 6.25%, 7/07/16             |     | 773          | 779,344    |
| Hawker Beechcraft Acquisition Co., LLC:                      |     |              |            |
| Letter of Credit Linked Deposit, 0.20%, 3/26/14              |     | 36           | 32,129     |
| Term Loan, 2.26% – 2.30%, 3/26/14                            |     | 600          | 536,028    |
| SI Organization, New Tranche B Term Loan,<br>4.50%, 11/22/16 |     | 875          | 881,562    |
| Scitor Corp., Term Loan B, 5.75%, 2/01/17                    |     | 700          | 697,375    |
| TASC, Inc., Tranche A Term Loan, 5.50%, 12/18/14             |     | 153          | 153,287    |
| TransDigm, Inc., Term Loan (First Lien), 5.25%, 2/14/17      |     | 850          | 855,075    |
|  |     |              | 3,934,800  |
| <b>Auto Components — 1.2%</b>                                |     |              |            |
| Allison Transmission, Inc., Term Loan, 3.02%, 8/07/14        |     | 729          | 726,576    |
| Armored Autogroup, Inc. (FKA Viking Aquisition, Inc.)        |     |              |            |
| Term Loan B, 6.00%, 11/02/16                                 |     | 520          | 522,600    |
| UCI International, Inc., Term Loan, 5.50%, 7/06/17           |     | 350          | 351,203    |
|  |     |              | 1,600,379  |
| <b>Automobiles — 0.9%</b>                                    |     |              |            |
| Ford Motor Co.:  |     |              |            |
| Tranche B-1 Term Loan, 3.02%, 12/15/13                       |     | 1,202        | 1,201,645  |
| Tranche B-2 Term Loan, 3.02%, 12/15/13                       |     | 20           | 19,631     |
|  |     |              | 1,221,276  |
| <b>Biotechnology — 0.5%</b>                                  |     |              |            |
| Grifols SA, Term Loan B, 6.00% 10/01/16                      |     | 600          | 607,000    |

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### Building Products — 3.5%

|  |     |       |           |
|--|-----|-------|-----------|
| Armstrong World Industries, Inc., Term Loan B,<br>5.00%, 5/17/16                               |     | 625   | 632,025   |
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17   |     | 800   | 802,504   |
| Goodman Global, Inc., Initial Term Loan (First Lien),<br>5.75%, 10/13/16                       |     | 2,244 | 2,260,858 |
| Momentive Performance Materials (Blitz 06-103 GmbH),<br>Tranche B-2B Term Loan, 4.36%, 5/05/15 | EUR | 569   | 763,625   |
|  |     |       | 4,459,012 |

### Capital Markets — 1.9%

|  |     |     |           |
|--|-----|-----|-----------|
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13                                      | USD | 220 | 221,022   |
| HarbourVest Partners, Term Loan (First Lien),<br>6.25%, 11/10/16                         |     | 988 | 992,438   |
| Nuveen Investments, Inc.:<br>Extended Term Loan, (First Lien),<br>5.50% – 5.81%, 5/13/17 |     | 782 | 779,207   |
| Non Extended Term Loan (First Lien), 3.30%, 11/13/14                                     |     | 541 | 524,554   |
|  |     |     | 2,517,221 |

### Chemicals — 7.3%

|  |  |     |           |
|--|--|-----|-----------|
| AZ Chem US, Inc., Term Loan B, 6.75%, 11/18/16                                     |  | 495 | 499,731   |
| CF Industries, Inc., Term Loan B-1, 4.25%, 4/05/15                                 |  | 51  | 51,138    |
| Chemtura Corp., Term Facility, 5.50%, 8/16/16                                      |  | 750 | 755,938   |
| General Chemical Corp., Tranche B Term Loan, 5.00%,<br>9/30/15                     |  | 998 | 1,012,462 |
| Matrix Acquisition Corp. (MacDermid, Inc.), Tranche B<br>Term Loan, 2.26%, 4/12/14 |  | 481 | 473,596   |

|   |                    |  |
|---|--------------------|--|
| <b>Floating Rate Loan Interests (b)</b> | <b>Par</b>         |  |
|   | <b>(000) Value</b> |  |

### Chemicals (concluded)

|  |     |       |            |
|--|-----|-------|------------|
| Nexeo Solutions LLC, Term Loan B, 5.00%, 8/31/17   | USD | 575   | \$ 576,677 |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term<br>Facility (First Lien), 3.52% – 3.56%, 7/30/14 |     | 827   | 813,668    |
| Rockwood Specialties Group, Inc., Term Loan B,<br>3.75%, 2/01/18   |     | 800   | 808,500    |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17   |     | 595   | 595,573    |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17   |     | 1,200 | 1,210,800  |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15  |     | 1,375 | 1,386,454  |
| Univar, Inc., Term Loan B, 5.00% 6/30/17   |     | 1,200 | 1,204,126  |
|  |     |       | 9,388,663  |

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### Commercial Banks — 1.4%

|  |       |           |
|--|-------|-----------|
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15 | 1,830 | 1,853,256 |
|--|-------|-----------|

### Commercial Services & Supplies — 5.0%

ARAMARK Corp.:

|   |   |       |
|---|---|-------|
| Letter of Credit - 1 Facility, 0.11%, 1/26/14 | 9 | 9,357 |
|---|---|-------|

|   |    |        |
|---|----|--------|
| Letter of Credit - 2 Facility, 0.11%, 7/26/16 | 14 | 13,891 |
|---|----|--------|

|                              |     |         |
|------------------------------|-----|---------|
| US Term Loan, 2.18%, 1/26/14 | 116 | 116,148 |
|------------------------------|-----|---------|

|                                |     |         |
|--------------------------------|-----|---------|
| US Term Loan B, 3.55%, 7/26/16 | 211 | 211,226 |
|--------------------------------|-----|---------|

|   |     |         |
|---|-----|---------|
| AWAS Finance Luxembourg Sarl, Loan,<br>7.75%, 6/10/16 | 242 | 247,990 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan,<br>3.02%, 10/21/13 | 306 | 305,056 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Advanced Disposal Services, Inc., Term Loan (First Lien),<br>6.00%, 1/14/15 | 396 | 398,475 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| Altegrity, Inc., (FKA US Investigations Services, Inc.)<br>Tranche D Term Loan, 7.75%, 2/21/15 | 746 | 761,175 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| Casella Waste Systems, Inc., Term Loan B,<br>7.00%, 4/09/14 | 556 | 555,609 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16 | 825 | 832,071 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B<br>Dollar Term Loan, 5.25%, 11/24/15 | 429 | 428,958 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Protection One, Inc., Term Loan, 6.00%, 6/04/16 | 464 | 464,854 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16 | 274 | 272,371 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| Synagro Technologies, Inc., Term Loan (First Lien),<br>2.27%, 4/02/14 | 972 | 904,232 |
|---|-----|---------|

|   |     |         |
|---|-----|---------|
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% – 10.75%, 8/24/16 | 499 | 503,528 |
|---|-----|---------|

|   |     |           |
|---|-----|-----------|
| West Corp., Term Loan B, 4.53% – 4.71%, 7/15/16 | 400 | 402,426   |
|   |     | 6,427,367 |

### Communications Equipment — 1.9%

Avaya, Inc. Term Loan B:

|                 |     |         |
|-----------------|-----|---------|
| 3.06%, 10/24/14 | 558 | 540,816 |
|-----------------|-----|---------|

|                 |     |         |
|-----------------|-----|---------|
| 4.81%, 10/24/17 | 909 | 890,887 |
|-----------------|-----|---------|

|  |       |           |
|--|-------|-----------|
| CommScope, Inc., Term Loan B, 5.00%, 1/06/18 | 1,000 | 1,014,583 |
|  |       | 2,446,286 |

### Construction & Engineering — 0.6%

|  |     |         |
|--|-----|---------|
| Safway Services, LLC, First Out Tranche Loan,<br>9.00%, 12/18/17 | 750 | 750,000 |
|--|-----|---------|

### Construction Materials — 0.3%

|   |     |         |
|---|-----|---------|
| Fairmount Minerals Ltd., Tranche B Term Loan,<br>6.25% – 6.75%, 8/05/16 | 404 | 408,494 |
|---|-----|---------|

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**Consumer Finance — 1.4%**

Springleaf Financial Funding Co. (FKA AGFS Funding Co.),

|                           |       |           |
|---------------------------|-------|-----------|
| Term Loan, 7.25%, 4/21/15 | 1,800 | 1,816,020 |
|---------------------------|-------|-----------|

**Containers & Packaging — 1.3%**

Anchor Glass Container Corp., Term Loan (First Lien),

|                |     |         |
|----------------|-----|---------|
| 6.00%, 3/02/16 | 171 | 171,162 |
|----------------|-----|---------|

Berry Plastics Holding Corp., Term Loan C,

|                        |     |         |
|------------------------|-----|---------|
| 2.29% – 2.31%, 4/03/15 | 506 | 491,568 |
|------------------------|-----|---------|

|   |     |           |
|---|-----|-----------|
| Graham Packaging Co., LP, Term Loan D, 6.00%, 9/16/16 | 998 | 1,005,160 |
|---|-----|-----------|

|  |  |           |
|--|--|-----------|
|  |  | 1,667,890 |
|--|--|-----------|

**Diversified Consumer Services — 3.5%**

Coinmach Laundry Corp., Delayed Draw Term Loan,

|                 |     |         |
|-----------------|-----|---------|
| 3.26%, 11/14/14 | 246 | 231,491 |
|-----------------|-----|---------|

|  |       |           |
|--|-------|-----------|
| Coinmach Service Corp., Term Loan, 3.31%, 11/14/14 | 1,457 | 1,366,049 |
|--|-------|-----------|

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>                             |     |              |            |
| <b>Diversified Consumer Services (concluded)</b>                    |     |              |            |
| Laureate Education:   |     |              |            |
| Closing Date Term Loan, 3.55%, 8/17/14                              | USD | 739          | \$ 723,836 |
| Delayed Draw Term Loan, 3.55%, 8/15/14                              |     | 111          | 108,368    |
| Series A New Term Loan, 7.00%, 8/15/14                              |     | 1,125        | 1,131,562  |
| ServiceMaster Co.:  |     |              |            |
| Closing Date Term Loan, 2.76% – 2.81%, 7/24/14                      |     | 928          | 913,024    |
| Delayed Draw Term Loan, 2.77%, 7/24/14                              |     | 92           | 90,924     |
|   |     |              | 4,565,254  |
| <b>Diversified Financial Services — 2.6%</b>                        |     |              |            |
| MSCI, Inc., Term Loan B, 4.75%, 6/01/16                             |     | 761          | 764,667    |
| Reynolds Group Holdings, Inc., Term Loan E,<br>4.25%, 2/09/18       |     | 2,000        | 2,010,416  |
| Whitelabel IV SA (Ontex):   |     |              |            |
| Facility B1, 6.75%, 8/11/17   | EUR | 151          | 210,384    |
| Facility B2, 6.75%, 8/11/17   |     | 249          | 348,157    |
|   |     |              | 3,333,624  |
| <b>Diversified Telecommunication Services — 3.0%</b>                |     |              |            |
| Hawaiian Telcom Communications, Inc., Term Loan,<br>9.00%, 10/28/15 | USD | 655          | 665,975    |
| Integra Telecom Holdings, Inc., Term Loan,<br>9.25%, 4/15/15        |     | 821          | 830,725    |
| Level 3 Financing, Inc.:  |     |              |            |
| Incremental Tranche A Term Loan,<br>2.55%, 3/13/14                  |     | 1,500        | 1,462,500  |
| Term Loan B, 11.50%, 3/13/14  |     | 125          | 134,063    |
| US Telepacific Corp., Term Loan B, 5.75%, 2/18/17                   |     | 750          | 754,219    |
|   |     |              | 3,847,482  |
| <b>Electric Utilities — 1.1%</b>                                    |     |              |            |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17          |     | 1,387        | 1,400,924  |
| <b>Electronic Equipment, Instruments &amp; Components — 1.7%</b>    |     |              |            |
| CDW LLC (FKA CDW Corp.):  |     |              |            |
| Extended Term Loan B, 3.51%, 7/15/17                                |     | 495          | 494,615    |



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|  |     |           |
|--|-----|-----------|
| Non Extended Term Loan, 4.26%, 10/10/14  | 685 | 683,478   |
| Flextronics International Ltd., Closing Date Loan B,<br>2.51%, 10/01/12                            | 434 | 432,787   |
| Matinvest 2 SAS/Butterfly Wendel US, Inc.<br>(Deutsche Connector):<br>Facility B-2, 3.46%, 6/22/14 | 319 | 307,817   |
| Facility C-2, 4.21%, 6/22/15   | 268 | 258,514   |
|  |     | 2,177,211 |

### Energy Equipment & Services — 0.8%

|  |     |         |
|--|-----|---------|
| MEG Energy Corp., Tranche D Term Loan,<br>6.00%, 4/03/16 | 967 | 976,040 |
|--|-----|---------|

### Food & Staples Retailing — 3.1%

|  |         |           |
|--|---------|-----------|
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots),<br>Facility B1, 3.58%, 7/09/15 | GBP 900 | 1,410,045 |
| Bolthouse Farms, Inc., Term Loan (First Lien),<br>5.50% – 5.75%, 2/11/16             | USD 478 | 481,091   |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan,<br>5.25%, 6/30/16             | 858     | 865,645   |
| Rite Aid Corp., Term Loan B, 6.00%, 7/09/14  | 219     | 219,278   |
| U.S. Foodservice, Inc., Term Loan B, 2.76%, 7/03/14                                  | 1,023   | 987,932   |
|  |         | 3,963,991 |

### Food Products — 6.5%

|  |       |           |
|--|-------|-----------|
| Advance Pierre Foods, Term Loan (Second Lien):<br>7.00%, 9/29/16                 | 958   | 964,183   |
| 11.25%, 9/29/17  | 500   | 512,500   |
| CII Investment, LLC (FKA Cloverhill):<br>Delayed Draw Term Loan, 8.50%, 10/14/14 | 140   | 139,015   |
| Term Loan A, 8.50%, 10/14/14   | 427   | 422,464   |
| Term Loan B, 8.50%, 10/14/14   | 519   | 513,808   |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18                                     | 3,200 | 3,220,000 |

|   |              |              |
|---|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b> | <b>Par</b>   |              |
|   | <b>(000)</b> | <b>Value</b> |

### Food Products (concluded)

|  |         |            |
|--|---------|------------|
| Green Mountain Coffee Roasters, Inc., Term Loan B<br>Facility, 5.50%, 11/09/16         | USD 400 | \$ 402,625 |
| Michael Foods Group, Inc. (FKA M-Foods Holdings, Inc.),<br>Term Loan B, 4.25%, 2/25/18 | 482     | 482,484    |
| Michaels Stores, Inc., Term Loan B, 4.25%, 2/28/18                                     | 55      | 55,000     |
| Pinnacle Foods Finance LLC:  |         |            |

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|   |       |           |
|---|-------|-----------|
| Term Loan B, 2.76%, 4/02/14   | 135   | 134,494   |
| Tranche D Term Loan, 6.00%, 4/02/14   | 532   | 535,945   |
| Solvest, Ltd. (Dole):   |       |           |
| Tranche B-1 Term Loan, 5.00% – 5.50%, 3/02/17   | 282   | 284,059   |
| Tranche C-1 Term Loan, 5.00% – 5.50%, 3/02/17   | 701   | 705,208   |
|   |       | 8,371,785 |
| <b>Health Care Equipment &amp; Supplies — 0.9%</b>  |       |           |
| Biomet, Inc., Dollar Term Loan, 3.26% – 3.30%, 3/25/15  | 201   | 200,342   |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC),  |       |           |
| Term Loan, 3.26%, 5/20/14   | 339   | 336,865   |
| Fresenius SE:   |       |           |
| Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14  | 415   | 417,101   |
| Tranche C-2 Term Loan, 4.50%, 9/10/14   | 226   | 227,096   |
|   |       | 1,181,404 |
| <b>Health Care Providers &amp; Services — 6.8%</b>  |       |           |
| CHS/Community Health Systems, Inc.:   |       |           |
| Delayed Draw Term Loan, 2.51% – 2.56%, 7/25/14  | 54    | 53,679    |
| Extended Term Loan, 3.76% – 3.81%, 1/25/17  | 442   | 442,755   |
| Non Extended Term Loan, 2.51% – 2.56%, 7/25/14  | 1,058 | 1,049,453 |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/20/16   | 600   | 602,750   |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16  | 900   | 906,422   |
| HCA, Inc., Tranche A-1 Term Loan, 1.55%, 11/16/12   | 1,505 | 1,496,840 |
| Harden Healthcare, Inc.:  |       |           |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  | 570   | 558,600   |
| Tranche A Term Loan, 8.50%, 2/22/15   | 360   | 352,889   |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.):   |       |           |
| Term Loan B, 4.75%, 7/31/16   | 1,264 | 1,269,354 |
| Term Loan B2, 4.75%, 8/04/16  | 167   | 167,396   |
| Term Loan B2, 6.50%, 8/04/16  | 333   | 334,583   |
| Renal Advantage Holdings, Inc., Tranche B Term Loan,<br>5.75%, 12/03/16                                   | 600   | 608,250   |
| Vanguard Health Holding Co. II, LLC (Vanguard Health<br>Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 | 913   | 919,404   |
|   |       | 8,762,375 |
| <b>Health Care Technology — 1.2%</b>  |       |           |
| IMS Health, Inc., Tranche B Dollar Term Loan,<br>5.25%, 2/26/16   | 957   | 965,289   |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16   | 600   | 604,500   |
|   |       | 1,569,789 |
| <b>Hotels, Restaurants &amp; Leisure — 8.9%</b>   |       |           |
| BLB Management Services, Inc., (Wembly, Inc.)   |       |           |

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|  |     |       |           |
|--|-----|-------|-----------|
| Loan (Exit), 8.50%, 11/05/15   |     | 610   | 613,835   |
| Boyd Gaming Corp., Term Loan A, 3.81%, 12/31/15  |     | 325   | 321,074   |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/09/17   |     | 1,100 | 1,107,556 |
| Gateway Casinos & Entertainment, Ltd., Term Loan B,<br>6.50% – 7.50%, 5/12/16                      | CAD | 1,173 | 1,212,114 |
| Harrah's Operating Co., Inc.:  |     |       |           |
| Term Loan B-1, 3.30%, 1/28/15  | USD | 175   | 162,483   |
| Term Loan B-2, 3.30%, 1/28/15  |     | 145   | 134,332   |
| Term Loan B-3, 3.30%, 1/28/15  |     | 3,017 | 2,801,458 |
| Term Loan B-4, 9.50%, 10/31/16   |     | 268   | 283,476   |
| Penn National Gaming, Inc., Term Loan B,<br>2.01% – 2.06%, 10/03/12                                |     | 566   | 564,623   |
| Seaworld Parks & Entertainment, Inc. (FKA SW<br>Aquisitions Co., Inc.) Term B Loan, 4.00%, 8/17/17 |     | 1,039 | 1,041,523 |
| Sea World, Term Loan B, 4.00%, 8/16/17   |     | 361   | 362,442   |
| Six Flags Theme Parks, Inc., Tranche B Term Loan<br>(First Lien), 5.25% – 5.50%, 6/30/16           |     | 822   | 831,655   |
| Travelport LLC (FKA Travelport, Inc.), Extended Delayed<br>Draw Term Loan, 4.96%, 8/21/15          |     | 219   | 212,665   |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>   |              |            |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>  |              |            |
| Universal City Development Partners Ltd., Term Loan,<br>5.50%, 11/16/14                                       | USD 496      | \$ 501,351 |
| VML US Finance LLC (FKA Venetian Macau):  |              |            |
| New Project Term Loan, 4.79%, 5/27/13   | 275          | 274,943    |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12  | 411          | 411,066    |
| Term B Funded Project Loan, 4.79%, 5/27/13  | 716          | 716,867    |
|   |              | 11,553,463 |
| <b>Household Durables — 1.1%</b>  |              |            |
| Visant Corp. (FKA Jostens), Tranche B Term Loan,<br>7.00%, 12/20/16   | 1,398        | 1,404,499  |
| <b>IT Services — 4.6%</b>   |              |            |
| Ceridian Corp., US Term Loan, 3.26%, 11/09/14   | 796          | 783,628    |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16  | 273          | 275,326    |
| First Data Corp.:   |              |            |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14   | 1,255        | 1,188,115  |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14   | 749          | 709,337    |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14   | 1,652        | 1,563,733  |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/03/18   | 1,468        | 1,476,261  |
|   |              | 5,996,400  |
| <b>Independent Power Producers &amp; Energy Traders — 0.9%</b>  |              |            |
| Texas Competitive Electric Holdings Co., LLC (TXU), Initial<br>Tranche B-3 Term Loan, 3.76% – 3.80%, 10/10/14 | 1,447        | 1,216,408  |
| <b>Industrial Conglomerates — 1.7%</b>  |              |            |
| Sequa Corp., Term Loan, 3.56%, 12/03/14   | 888          | 878,597    |
| Tomkins Plc, Term Loan A, 4.25%, 9/16/16  | 1,283        | 1,293,229  |
|   |              | 2,171,826  |
| <b>Insurance — 0.9%</b>   |              |            |
| CNO Financial Group, Inc., Term Loan, 7.50%, 9/30/16  | 1,200        | 1,207,000  |
| <b>Internet &amp; Catalog Retail — 0.1%</b>   |              |            |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14  | 179          | 179,086    |
| <b>Machinery — 0.3%</b>   |              |            |
| Navistar Financial Corp., Term Loan B, 4.55%, 12/16/12  | 375          | 373,594    |
| <b>Marine — 0.3%</b>  |              |            |

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### Horizon Lines, LLC:

|                                |     |         |
|--------------------------------|-----|---------|
| Revolving Loan, 3.31%, 8/08/12 | 246 | 228,439 |
| Term Loan, 3.31%, 8/08/12      | 134 | 127,782 |
|                                |     | 356,221 |

### Media — 21.8%

|  |         |           |
|--|---------|-----------|
| Acosta, Inc., Term Loan, 4.75%, 2/03/18                  | 1,100   | 1,108,250 |
| Affinion Group, Inc., Tranche B Term Loan:               |         |           |
| 5.00%, 10/09/16  | 744     | 748,097   |
| 5.00%, 10/31/16  | 300     | 301,125   |
| Atlantic Broadband Finance, LLC, Term Loan B,            |         |           |
| 5.00%, 11/12/15  | 458     | 458,383   |
| Bresnan Telecommunications Co. LLC, Term Loan,           |         |           |
| 4.50%, 11/30/17  | 1,450   | 1,458,861 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning):  |         |           |
| Term Loan, 2.55%, 7/03/14                                | 1,496   | 1,439,655 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14          | 375     | 376,736   |
| Cequel Communications, LLC, New Term Loan,               |         |           |
| 2.26%, 11/05/13  | 531     | 529,518   |
| Charter Communications Operating, LLC:                   |         |           |
| Term Loan B, 7.25%, 3/06/14                              | 181     | 182,634   |
| Term Loan C, 3.56%, 9/06/16                              | 1,610   | 1,613,589 |
| Clarke American Corp., Term Facility B, 2.80%, 6/30/14   | 616     | 587,704   |
| FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15    | 648     | 647,069   |
| Getty Images, Inc., Initial Term Loan B, 5.25%, 10/29/16 | 998     | 1,009,657 |
| HMH Publishing Co., Ltd., Tranche A Term Loan,           |         |           |
| 6.01%, 6/12/14   | 614     | 583,504   |
| Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson     |         |           |
| Holdings Ltd.), Tranche B Term Loan, 5.25%, 3/07/18      | 3,000   | 3,020,157 |
| Interactive Data Corp., Term B Loan, 4.75%, 2/08/18      | 1,250   | 1,260,267 |
| Knology, Inc., Term Loan B, 4.00%, 8/31/17               | 550     | 553,437   |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):         |         |           |
| Facility B1, 3.68%, 6/28/15                              | EUR 460 | 583,687   |
| Facility C1, 3.93%, 6/30/16                              | 460     | 583,687   |

### Floating Rate Loan Interests (b)

**Par  
(000) Value**

### Media (concluded)

|                                      |         |            |
|--------------------------------------|---------|------------|
| Mediacom Illinois, LLC (FKA Mediacom |         |            |
| Communications, LLC):                |         |            |
| Tranche D Term Loan, 5.50%, 3/31/17  | USD 199 | \$ 200,236 |

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|   |     |       |            |
|---|-----|-------|------------|
| Tranche E Term Loan, 4.50%, 10/23/17  |     | 498   | 497,189    |
| Newsday, LLC:   |     |       |            |
| Fixed Rate Term Loan, 10.50%, 8/01/13   |     | 800   | 850,500    |
| Floating Rate Term Loan, 6.55%, 8/01/13   |     | 500   | 508,125    |
| Nielsen Finance LLC:  |     |       |            |
| Class A Dollar Term Loan, 2.26%, 8/09/13  |     | 25    | 25,312     |
| Class B Dollar Term Loan, 4.01%, 5/01/16  |     | 1,147 | 1,152,634  |
| Sinclair Television Group, Inc., New Tranche B Term Loan,<br>5.50%, 10/29/15        |     | 409   | 413,523    |
| Springer Science+Business Media SA, Facility A1,<br>6.75%, 7/01/16                  | EUR | 1,100 | 1,533,133  |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment),<br>Term Facility, 5.56%, 6/01/12 | USD | 1,018 | 995,912    |
| UPC Broadband Holding B.V., Term U, 4.88%, 12/31/17 EUR                             |     | 630   | 866,971    |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17    | USD | 1,054 | 1,025,461  |
| Virgin Media Investment Holdings Ltd., Facility B,<br>4.53%, 12/31/15               | GBP | 750   | 1,219,125  |
| Weather Channel, Term Loan B, 4.25%, 2/01/17  | USD | 1,150 | 1,160,637  |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3,<br>2.76%, 8/09/11               |     | 633   | 613,828    |
|   |     |       | 28,108,603 |
| <b>Metals &amp; Mining — 1.5%</b>   |     |       |            |
| Euramax International, Inc., Domestic Term Loan:                                    |     |       |            |
| 10.00%, 6/29/13   |     | 244   | 234,759    |
| 14.00%, 6/29/13   |     | 237   | 228,546    |
| Novelis Corp., Term Loan, 5.25%, 12/01/16   |     | 1,400 | 1,416,500  |
|   |     |       | 1,879,805  |
| <b>Multi-Utilities — 0.1%</b>   |     |       |            |
| FirstLight Power Resources, Inc. (FKA NE Energy, Inc.):                             |     |       |            |
| Synthetic Letter of Credit, 0.16%, 11/01/13   |     | 4     | 3,970      |
| Term B Advance (First Lien), 2.81%, 11/01/13  |     | 196   | 195,221    |
|   |     |       | 199,191    |
| <b>Multiline Retail — 2.5%</b>  |     |       |            |
| Dollar General Corp., Tranche B-2 Term Loan,<br>3.01%, 7/07/14                      |     | 316   | 315,687    |
| Hema Holding BV, Facility D, 5.91%, 1/01/17   | EUR | 1,800 | 2,440,455  |
| The Neiman Marcus Group, Inc., Tranche B-2 Term Loan,<br>4.30%, 4/06/16             | USD | 521   | 523,415    |
|   |     |       | 3,279,557  |
| <b>Oil, Gas &amp; Consumable Fuels — 1.4%</b>                                       |     |       |            |

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|   |       |                        |
|---|-------|------------------------|
| EquiPower Resources Holdings, LLC, Term Loan B,<br>5.75%, 1/11/18 | 650   | 654,875                |
| Obsidian Natural Gas Trust, Term Loan,<br>7.00%, 11/30/15         | 1,086 | 1,113,348<br>1,768,223 |
| <b>Paper &amp; Forest Products — 0.4%</b>                         |       |                        |
| Georgia-Pacific LLC, Term Loan B, 2.30%, 12/23/12                 | 548   | 547,981                |
| <b>Personal Products — 1.1%</b>                                   |       |                        |
| NBTY, Inc., Term Loan B:<br>6.25%, 9/20/17                        | 800   | 808,166                |
| 4.75%, 10/01/17   | 590   | 590,000<br>1,398,166   |
| <b>Pharmaceuticals — 1.3%</b>                                     |       |                        |
| Axcan Intermediate Holdings, Inc., Term Loan,<br>5.50%, 2/03/17   | 667   | 668,333                |
| Warner Chilcott Corp.:<br>Additional Term Loan, 6.25%, 4/30/15    | 197   | 198,263                |
| Delayed Draw Term Loan B, 6.25%, 4/30/15                          | 246   | 247,630                |
| Term Loan A, 6.00%, 10/30/14                                      | 435   | 434,785                |
| Term Loan B-1, 6.25%, 4/30/15                                     | 149   | 149,727                |
| Term Loan B-3, 6.50%, 2/20/16                                     | 5     | 5,375<br>1,704,113     |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |              |              |
| <b>Professional Services — 1.7%</b>   |              |              |
| Booz Allen Hamilton, Inc., Tranche B Term Loan,<br>4.00%, 8/01/17                   | USD 1,325    | \$ 1,337,588 |
| Fifth Third Processing Solutions, LLC, Term Loan B<br>(First Lien), 5.50%, 10/21/16 | 800          | 806,200      |
|   |              | 2,143,788    |
| <b>Real Estate Investment Trusts (REITs) — 0.1%</b>                                 |              |              |
| iStar Financial, Inc., Term Loan (Second Lien),<br>1.76%, 6/28/11                   | 100          | 98,625       |
| <b>Real Estate Management &amp; Development — 1.8%</b>                              |              |              |
| Realogy Corp.:  |              |              |
| Exit Term Loan, 3.29%, 10/16/16   | 275          | 265,203      |
| Initial Term Loan B, 4.56%, 10/10/13  | 201          | 192,971      |
| Synthetic Letter of Credit, 4.51%, 10/10/13   | 24           | 22,868       |
| Term Loan B, 4.56%, 10/16/16  | 1,754        | 1,682,067    |
| Term Loan C, 4.51%, 10/16/16  | 128          | 122,703      |
|   |              | 2,285,812    |
| <b>Road &amp; Rail — 0.2%</b>   |              |              |
| Transtar Industries, Term Loan (First Lien), 6.25%, 12/07/16                        | 225          | 228,375      |
| <b>Semiconductors &amp; Semiconductor Equipment — 0.7%</b>                          |              |              |
| Freescale Semiconductor, Inc., Term Loan B,<br>4.51%, 12/01/16                      | 443          | 442,383      |
| Microsemi Corp., Term Loan B, 5.00%, 10/25/17                                       | 500          | 501,250      |
|   |              | 943,633      |
| <b>Software — 1.1%</b>  |              |              |
| Rovi Corp., Term Loan B, 4.00%, 2/01/18   | 450          | 454,500      |
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16                             | 596          | 598,850      |
| Vertafore, Inc., New Term Loan B, 5.25%, 7/29/16                                    | 310          | 312,325      |
|   |              | 1,365,675    |
| <b>Specialty Retail — 4.2%</b>  |              |              |
| Burlington Coat Factory Warehouse Corp., Term Loan B,<br>6.25%, 2/18/17             | 450          | 451,500      |
| Gymboree Corp., Term Loan B, 5.00%, 2/11/18   | 650          | 651,950      |
| J. Crew Group, Inc., Term Loan B, 5.25%, 2/01/18                                    | 1,300        | 1,300,000    |



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|  |     |       |           |
|--|-----|-------|-----------|
| Matalan Finance Plc, Term Facility, 5.61%, 3/24/16           | GBP | 277   | 448,259   |
| Michaels Stores, Inc.:                                       |     |       |           |
| Term Loan B-1, 2.56%, 10/31/13                               | USD | 334   | 333,231   |
| Term Loan B-2, 4.81% – 4.87%, 7/31/16                        |     | 231   | 232,697   |
| Petco Animal Supplies, Inc., Term Loan B,<br>4.75%, 11/24/17 |     | 1,100 | 1,100,000 |
| Toys 'R' Us Delaware, Inc., Initial Loan, 6.00%, 8/17/16     |     | 866   | 872,007   |
|  |     |       | 5,389,644 |

**Textiles, Apparel & Luxury Goods — 0.4%**

|   |  |     |         |
|---|--|-----|---------|
| Philips Van Huesen Corp., US Tranche B Term Loan,<br>5.25%, 5/06/16 |  | 541 | 543,547 |
|---|--|-----|---------|

**Wireless Telecommunication Services — 1.8%**

|  |  |     |         |
|--|--|-----|---------|
| Digicel International Finance Ltd., US Term Loan<br>(Non-Rollover), 2.81%, 3/30/12 |  | 704 | 695,064 |
| MetroPCS Wireless, Inc., Tranche B-2 Term Loan,<br>3.81%, 11/03/16                 |  | 773 | 776,230 |
| Vodafone Americas Finance 2 Inc., Initial Loan,<br>6.88%, 7/30/15                  |  | 776 | 803,675 |

**Total Floating Rate Loan Interests — 122.3%**

157,865,747

**Beneficial  
Interest  
(000) Value**

**Other Interests (e)**

**Auto Components — 1.0%**

|  |  |      |              |
|--|--|------|--------------|
| Delphi Debtor-in-Possession Holding Co. LLP,<br>Class B Membership Interests |  | —(f) | \$ 1,282,194 |
| <b>Total Other Interests — 1.0%</b>  |  |      | 1,282,194    |

**Total Long-Term Investments**

**(Cost — \$178,235,192) — 142.6%** 184,078,000

**Short-Term Securities**

**Shares Value**

|  |  |           |               |
|--|--|-----------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional<br>Class, 0.15%, (g)(h) |  | 4,517,571 | \$ 4,517,571  |
| <b>Total Short-Term Securities</b>   |  |           | 4,517,571     |
| <b>(Cost — \$4,517,571) — 3.5%</b>   |  |           | 188,595,571   |
| <b>Total Investments (Cost — \$182,752,763*) — 146.1%</b>                  |  |           | (59,524,659)  |
| <b>Liabilities in Excess of Other Assets — (46.1%)</b>                     |  |           | \$129,070,912 |
| <b>Net Assets — 100.0%</b>   |  |           |               |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

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|                               |               |
|-------------------------------|---------------|
| Aggregate cost                | \$182,752,213 |
| Gross unrealized appreciation | \$ 6,512,224  |
| Gross unrealized depreciation | (668,866)     |
| Net unrealized appreciation   | \$ 5,843,358  |

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

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

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

| Counterparty          | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------|--|
| Bank of America & Co. | \$ 493,150 | —  |

(d) Non-income producing security.

(e) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(f) Amount is less than \$1,000.

(g) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31, 2010 | Net<br>Activity | Shares Held at<br>February 28, 2011 | Income  |
|--|-----------------------------------|-----------------|-------------------------------------|---------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class 1,172,197 |                                   | 3,345,374       | 4,517,571                           | \$2,102 |

(h) Represents the current yield as of report date.

\*For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

\*Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|--------------|--------------------|--|
| USD 1,175,902         | CAD 1,166,000    | Citibank NA  | 4/14/11            | \$ (23,058)                                  |
| USD 2,675,638         | GBP 1,702,500    | Citibank NA  | 4/14/11            | (90,878)                                     |
| EUR 297,000           | USD 402,890      | UBS AG       | 4/27/11            | 6,661  |
| USD 57,230            | EUR 42,500       | Citibank NA  | 4/27/11            | (1,376)                                      |
| USD 7,534,050         | EUR 5,508,000    | Royal Bank   |                    |  |

of Scotland

4/27/11

(61,263)

**Total**

\$ (169,914)

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•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)

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

### BlackRock Defined Opportunity Credit Trust (BHL)

•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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs    | Level 1      | Level 2       | Level 3       | Total         |
|---------------------|--------------|---------------|---------------|---------------|
| <b>Assets:</b>      |              |               |               |               |
| Investments in      |              |               |               |               |
| Securities:         |              |               |               |               |
| Long-Term           |              |               |               |               |
| Investments:        |              |               |               |               |
| Asset-Backed        |              |               |               |               |
| Securities          |              | \$ 1,721,646  | \$ 3,996,878  | \$ 5,718,524  |
| Common Stocks .     | \$ 260,474   |               | 476,535       | 737,009       |
| Corporate Bonds.    |              | 18,460,311    | 14,215        | 18,474,526    |
| Floating Rate       |              |               |               |               |
| Loan Interests      |              | 141,373,620   | 16,492,127    | 157,865,747   |
| Other Interests     |              | 1,282,194     |               | 1,282,194     |
| Short-Term          |              |               |               |               |
| Securities          | 4,517,571    |               |               | 4,517,571     |
| Unfunded Loan       |              |               |               |               |
| Commitments .       |              | 26,074        | 1,656         | 27,730        |
| <b>Liabilities:</b> |              |               |               |               |
| Unfunded Loan       |              |               |               |               |
| Commitments .       |              |               | (4,560)       | (4,560)       |
| <b>Total</b>        | \$ 4,778,045 | \$162,863,845 | \$ 20,976,851 | \$188,618,741 |

#### Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| <b>Assets:</b>   |         |         |         |       |
| Foreign currency |         |         |         |       |

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|                                     |   |              |   |              |
|-------------------------------------|---|--------------|---|--------------|
| exchange contracts                  | — | \$ 6,661     | — | \$ 6,661     |
| <b>Liabilities:</b>                 |   |              |   |              |
| Foreign currency exchange contracts | — | (176,575)    | — | (176,575)    |
| <b>Total</b>                        | — | \$ (169,914) | — | \$ (169,914) |

<sup>1</sup> Derivative financial instruments are foreign currency exchange contracts. Foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

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 | Unfunded Loan Commitments | Total                |
|---|-------------------------|-------------------|------------------|------------------------------|---------------------------|----------------------|
| <b>Assets:</b>  |                         |                   |                  |                              |                           |                      |
| Balance, as of August 31, 2010                                  |                         | —\$ 270,181       | \$ 12,664        | \$ 20,437,083                |                           | —\$ 20,719,928       |
| Accrued discounts/premiums                                      | \$ 14,544               | —                 | 981              | 238,946                      |                           | — 254,471            |
| Net realized gain (loss)  | —                       | —                 | —                | 136,631                      |                           | — 136,631            |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | (451,694)               | 17,481            | 570              | 845,429                      | \$ 1,656                  | 413,442              |
| Purchases   | 4,434,028               | 188,873           | —                | 11,158,794                   |                           | — 15,781,695         |
| Sales   | —                       | —                 | —                | (12,465,469)                 |                           | —(12,465,469)        |
| Transfers in <sup>3</sup>                                       | —                       | —                 | —                | 1,366,049                    |                           | — 1,366,049          |
| Transfers out <sup>3</sup>                                      | —                       | —                 | —                | (5,225,336)                  |                           | — (5,225,336)        |
| <b>Balance, as of February 28, 2011</b>                         | <b>\$ 3,996,878</b>     | <b>\$ 476,535</b> | <b>\$ 14,215</b> | <b>\$ 16,492,127</b>         | <b>\$ 1,656</b>           | <b>\$ 20,981,411</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$(148,175).

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Unfunded Loan Commitments |
|---|---------------------------|
| <b>Liabilities:</b>   |                           |
| Balance, as of August 31, 2010                                  | \$ (46,743)               |
| Accrued discounts/premiums                                      | —                         |
| Net realized gain (loss)  | —                         |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 42,183                    |
| Purchases   | —                         |
| Sales   | —                         |

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|   |                   |
|---|-------------------|
| Transfers in <sup>5</sup>               | —                 |
| Transfers out <sup>5</sup>              | —                 |
| <b>Balance, as of February 28, 2011</b> | <b>\$ (4,560)</b> |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$42,183.

<sup>5</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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## Schedule of Investments February 28, 2011 (Unaudited)

### BlackRock Diversified Income Strategies Fund, Inc. (DVF) (Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value            |
|--|--------------|------------------|
| <b>Asset-Backed Securities</b>   |              |                  |
| ARES CLO Funds (a)(b):   |              |                  |
| Series 2005-10A, Class B, 0.69%, 9/18/17                                     | USD 250      | \$ 220,000       |
| Series 2011-16A, Class C, 2.90%, 5/17/21 (c)                                 | 500          | 493,150          |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B,<br>0.78%, 6/19/21 (a)(b)   | 365          | 311,907          |
| Centurion CDO 9 Ltd., Series 2005-9A, Class B,<br>1.07%, 7/17/19 (a)(b)      | 500          | 411,605          |
| Flagship CLO, Series 2006-1A, Class B,<br>0.64%, 9/20/19 (a)(b)              | 1,000        | 825,000          |
| Fraser Sullivan CLO Ltd., Series 2006-2A, Class B,<br>0.70%, 12/20/20 (a)(b) | 500          | 441,875          |
| Gannett Peak CLO Ltd., Class A2:   |              |                  |
| Series 2006-1A, 0.66%, 10/27/20 (a)(b)                                       | 405          | 348,806          |
| Series 2006-1X, 0.66%, 10/27/20  | 280          | 235,900          |
| KKR CLO Ltd., Series 2005-1A, Class B,<br>0.75%, 4/26/17 (a)(b)              | 500          | 456,250          |
| LCM LP, Series 8A, Class C, 3.37%, 1/14/21 (a)(b)                            | 350          | 349,125          |
| Landmark CDO Ltd., Series 2006-8A, Class B,<br>0.66%, 10/19/20 (a)(b)        | 525          | 456,666          |
| MAPS CLO Fund LLC, Series 2005-1A, Class C,<br>1.25%, 12/21/17 (a)(b)        | 275          | 239,937          |
| Portola CLO Ltd., Series 2007-1X, Class B1,<br>1.76%, 11/15/21               | 370          | 342,250          |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B,<br>0.90%, 7/15/19 (a)(b)   | 320          | 274,538          |
| <b>Total Asset-Backed Securities — 4.0%</b>                                  |              | <b>5,407,009</b> |
| <b>Common Stocks (d)</b>   |              |                  |
| <b>Capital Markets — 0.1%</b>  |              |                  |
| E*Trade Financial Corp.  | 14,300       | 228,514          |
| <b>Chemicals — 0.0%</b>  |              |                  |
| Wellman Holdings, Inc.   | 1,613        | 81               |
| <b>Construction Materials — 0.1%</b>   |              |                  |
| Nortek, Inc.   | 1,570        | 69,865           |
| <b>Electrical Equipment — 0.0%</b>   |              |                  |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Medis Technologies Ltd.   |     | 176,126      | 3,699        |
| <b>Hotels, Restaurants &amp; Leisure — 0.0%</b>                                     |     |              |              |
| Buffets Restaurants Holdings, Inc.  |     | 688          | 2,924        |
| <b>Metals &amp; Mining — 0.1%</b>   |     |              |              |
| Euramax International   |     | 468          | 123,887      |
| <b>Paper &amp; Forest Products — 0.8%</b>   |     |              |              |
| Ainsworth Lumber Co. Ltd. (a)   |     | 349,782      | 1,155,679    |
| <b>Software — 0.3%</b>  |     |              |              |
| Bankruptcy Management Solutions, Inc.   |     | 536          | 1,877        |
| HMH Holdings/EduMedia   |     | 45,526       | 227,630      |
| TiVo, Inc.  |     | 13,755       | 141,401      |
|   |     |              | 370,908      |
| <b>Total Common Stocks — 1.4%</b>   |     |              | 1,955,557    |
|   |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b> |              |
| <b>Airlines — 0.5%</b>  |     |              |              |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16                                    |     | USD 271      | 292,182      |
| United Air Lines, Inc., 12.75%, 7/15/12   |     | 295          | 329,242      |
|   |     |              | 621,424      |
| <b>Auto Components — 0.8%</b>   |     |              |              |
| Delphi International Holdings Unsecured,<br>12.00%, 10/06/14                        |     | 13           | 14,215       |
| Icahn Enterprises LP, 7.75%, 1/15/16  |     | 1,065        | 1,099,612    |
|   |     |              | 1,113,827    |
|   |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b> | <b>Value</b> |
| <b>Capital Markets — 0.2%</b>   |     |              |              |
| E*Trade Financial Corp., 3.95% 8/31/19 (a)(e)(f)                                    | USD | 83           | \$ 128,235   |
| KKR Group Finance Co., 6.38%, 9/29/20 (a)   |     | 80           | 82,426       |
|   |     |              | 210,661      |
| <b>Chemicals — 1.0%</b>   |     |              |              |
| CF Industries, Inc., 6.88%, 5/01/18   |     | 445          | 491,447      |
| Wellman Holdings, Inc., Subordinate Note (e):<br>(Second Lien), 10.00%, 1/29/19 (a) |     | 894          | 777,780      |
| (Third Lien), 5.00%, 1/29/19 (g)  |     | 301          | 117,329      |
|   |     |              | 1,386,556    |
| <b>Commercial Banks — 1.3%</b>  |     |              |              |
| CIT Group, Inc.:<br>7.00%, 5/01/14  |     | 40           | 40,775       |



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|  |     |       |           |
|--|-----|-------|-----------|
| 7.00%, 5/01/16   |     | 120   | 121,050   |
| 7.00%, 5/01/17   |     | 1,575 | 1,586,813 |
| Glitnir Banki HF, 6.38%, 9/25/12 (a)(d)(h)                       |     | 365   | —         |
|  |     |       | 1,748,638 |
| <b>Commercial Services &amp; Supplies — 0.7%</b>                 |     |       |           |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)                  |     | 624   | 641,160   |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)               |     | 260   | 279,500   |
|  |     |       | 920,660   |
| <b>Construction Materials — 0.5%</b>                             |     |       |           |
| Nortek, Inc., 11.00%, 12/01/13                                   |     | 639   | 680,083   |
| <b>Consumer Finance — 0.3%</b>                                   |     |       |           |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)                        |     | 450   | 483,750   |
| <b>Containers &amp; Packaging — 0.5%</b>                         |     |       |           |
| Smurfit Kappa Acquisitions (a):                                  |     |       |           |
| 7.25%, 11/15/17  | EUR | 250   | 365,689   |
| 7.75%, 11/15/19  |     | 240   | 354,373   |
|  |     |       | 720,062   |
| <b>Diversified Financial Services — 1.8%</b>                     |     |       |           |
| Ally Financial, Inc.:  |     |       |           |
| 5.38%, 6/06/11   |     | 110   | 151,795   |
| 6.88%, 9/15/11   | USD | 150   | 153,375   |
| 7.50%, 12/31/13  |     | 20    | 21,800    |
| 2.51%, 12/01/14 (b)  |     | 750   | 736,991   |
| 8.00%, 3/15/20   |     | 20    | 22,525    |
| 7.50%, 9/15/20 (a)   |     | 260   | 284,375   |
| 8.00%, 11/01/31  |     | 30    | 34,350    |
| 8.00%, 11/01/31  |     | 110   | 125,993   |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16               |     | 80    | 88,200    |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (a)              |     | 300   | 319,500   |
| Reynolds Group Issuer, Inc. (a):                                 |     |       |           |
| 7.75%, 10/15/16  | EUR | 200   | 292,551   |
| 6.88%, 2/15/21   | USD | 195   | 195,488   |
|  |     |       | 2,426,943 |
| <b>Diversified Telecommunication Services — 0.4%</b>             |     |       |           |
| ITC Deltacom, Inc., 10.50%, 4/01/16                              |     | 220   | 241,450   |
| Qwest Communications International, Inc., Series B,              |     |       |           |
| 7.50%, 2/15/14   |     | 347   | 352,205   |
|  |     |       | 593,655   |
| <b>Electronic Equipment, Instruments &amp; Components — 0.2%</b> |     |       |           |
| CDW LLC, 8.00%, 12/15/18 (a)                                     |     | 250   | 268,750   |
| <b>Food Products — 0.4%</b>                                      |     |       |           |

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|  |     |         |
|--|-----|---------|
| B&G Foods, Inc., 7.63%, 1/15/18                    | 300 | 320,250 |
| Smithfield Foods, Inc., 10.00%, 7/15/14            | 150 | 177,000 |
|  |     | 497,250 |
| <b>Health Care Providers &amp; Services — 0.2%</b> |     |         |
| HCA, Inc., 7.25%, 9/15/20                          | 235 | 253,506 |
| <b>Health Care Technology — 0.3%</b>               |     |         |
| IMS Health, Inc., 12.50%, 3/01/18 (a)              | 400 | 469,000 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Diversified Income Strategies Fund, Inc. (DVF)**  
 (Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Corporate Bonds</b>   |              |           |
| <b>Hotels, Restaurants &amp; Leisure — 1.0%</b>                      |              |           |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/18       | USD 25       | \$ 23,500 |
| Little Traverse Bay Bands of Odawa Indians,<br>9.00%, 8/31/20 (a)    | 242          | 199,650   |
| MGM Resorts International, 11.13%, 11/15/17                          | 390          | 449,475   |
| Travelport LLC, 4.94%, 9/01/14 (b)                                   | 810          | 722,925   |
| Tropicana Entertainment LLC, Series WI,<br>9.63%, 12/15/14 (d)(h)    | 120          | 12        |
|  |              | 1,395,562 |
| <b>Household Durables — 0.4%</b>                                     |              |           |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                             | 500          | 581,250   |
| <b>Independent Power Producers &amp; Energy Traders — 2.7%</b>       |              |           |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)              | 750          | 813,750   |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (a)                    | 400          | 416,541   |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20      | 1,325        | 1,383,104 |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)                                 | 1,000        | 1,041,250 |
|  |              | 3,654,645 |
| <b>Industrial Conglomerates — 0.6%</b>                               |              |           |
| Sequa Corp., 13.50%, 12/01/15 (a)(g)                                 | 722          | 799,138   |
| <b>Media — 2.5%</b>  |              |           |
| CSC Holdings, Inc., 8.50%, 4/15/14                                   | 180          | 201,600   |
| Cengage Learning Acquisitions, Inc.,<br>10.50%, 1/15/15 (a)          | 625          | 648,437   |
| Checkout Holding Corp., 10.69% 11/15/15 (a)(f)                       | 425          | 274,125   |
| Clear Channel Worldwide Holdings, Inc., Series B,<br>9.25%, 12/15/17 | 774          | 861,075   |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)                  | 300          | 322,500   |
| UPC Germany GmbH, 8.13%, 12/01/17 (a)                                | 1,000        | 1,072,500 |
|  |              | 3,380,237 |
| <b>Metals &amp; Mining — 0.7%</b>                                    |              |           |
| FMG Resources August 2006 Pty Ltd.,<br>7.00%, 11/01/15 (a)           | 410          | 425,375   |

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|   |       |           |
|---|-------|-----------|
| Novelis, Inc., 8.38%, 12/15/17 (a)                    | 455   | 501,637   |
| RathGibson, Inc., 11.25%, 2/15/14 (d)(h)              | 1,390 | 139       |
|   |       | 927,151   |
| <b>Multiline Retail — 0.2%</b>                        |       |           |
| Dollar General Corp., 11.88%, 7/15/17 (g)             | 215   | 248,594   |
| <b>Oil, Gas &amp; Consumable Fuels — 0.1%</b>         |       |           |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a)         | 135   | 147,150   |
| <b>Paper &amp; Forest Products — 0.9%</b>             |       |           |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(g)     | 720   | 731,291   |
| Clearwater Paper Corp., 10.63%, 6/15/16               | 190   | 217,075   |
| Verso Paper Holdings LLC:                             |       |           |
| 11.50%, 7/01/14                                       | 160   | 176,400   |
| Series B, 4.05%, 8/01/14 (b)                          | 170   | 169,150   |
|   |       | 1,293,916 |
| <b>Pharmaceuticals — 0.2%</b>                         |       |           |
| Angiotech Pharmaceuticals, Inc., 4.06%, 12/01/13 (b)  | 260   | 218,400   |
| Valeant Pharmaceuticals International (a):            |       |           |
| 6.75%, 10/01/17                                       | 45    | 46,575    |
| 7.00%, 10/01/20                                       | 60    | 62,025    |
|   |       | 327,000   |
| <b>Professional Services — 0.1%</b>                   |       |           |
| FTI Consulting, Inc., 6.75%, 10/01/20 (a)             | 85    | 85,000    |
| <b>Real Estate Investment Trusts (REITs) — 0.0%</b>   |       |           |
| Omega Healthcare Investors, Inc., 6.75%, 10/15/22 (a) | 65    | 65,650    |

|  | Par     |                   |
|--|---------|-------------------|
|  | (000)   | Value             |
| <b>Corporate Bonds</b>                                 |         |                   |
| <b>Wireless Telecommunication Services — 1.4%</b>      |         |                   |
| Cricket Communications, Inc., 7.75%, 5/15/16           | USD 850 | \$ 898,875        |
| Digicel Group Ltd. (a):                                |         |                   |
| 9.13%, 1/15/15   | 279     | 290,579           |
| 8.25%, 9/01/17   | 255     | 266,475           |
| iPCS, Inc., 2.43%, 5/01/13 (b)                         | 200     | 197,500           |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 225     | 226,828           |
|  |         | 1,880,257         |
| <b>Total Corporate Bonds — 19.9%</b>                   |         | <b>27,180,315</b> |
| <b>Floating Rate Loan Interests (b)</b>                |         |                   |
| <b>Aerospace &amp; Defense — 3.0%</b>                  |         |                   |
| DynCorp International, Term Loan, 6.25%, 7/07/16       | 798     | 804,484           |
| Hawker Beechcraft Acquisition Co., LLC:                |         |                   |

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|  |     |       |           |
|--|-----|-------|-----------|
| Letter of Credit Linked Deposit, 0.20%, 3/26/14  |     | 38    | 33,861    |
| Term Loan, 2.26% - 2.30%, 3/26/14  |     | 632   | 564,912   |
| SI Organization Co., New Tranche B Term Loan<br>4.50%, 11/22/16                                |     | 1,075 | 1,083,062 |
| Scitor Corp., Term Loan B, 5.75%, 2/01/17  |     | 750   | 747,187   |
| TransDigm, Inc., Term Loan (First Lien), 5.25%, 2/14/17  |     | 900   | 905,373   |
|  |     |       | 4,138,879 |
| <b>Auto Components — 1.2%</b>  |     |       |           |
| Allison Transmission, Inc., Term Loan, 3.02%, 8/07/14  |     | 743   | 740,323   |
| Armored Autogroup, Inc. (FKA Viking Aquisition, Inc.),<br>Term Loan B, 6.00%, 11/02/16         |     | 530   | 532,650   |
| UCI International, Inc., Term Loan, 5.50%, 7/06/17   |     | 350   | 351,204   |
|  |     |       | 1,624,177 |
| <b>Biotechnology — 0.4%</b>  |     |       |           |
| Grifols SA, Term Loan B, 6.00% 10/01/16  |     | 600   | 607,000   |
| <b>Building Products — 3.2%</b>  |     |       |           |
| Armstrong World Industries, Inc., Term Loan B,<br>5.00%, 5/17/16                               |     | 750   | 758,430   |
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17   |     | 850   | 852,660   |
| Goodman Global, Inc., Initial Term Loan (First Lien),<br>5.75%, 10/13/16                       |     | 2,244 | 2,260,858 |
| Momentive Performance Materials (Blitz 06-103 GmbH),<br>Tranche B-2B Term Loan, 4.36%, 5/05/15 | EUR | 318   | 427,218   |
|  |     |       | 4,299,166 |
| <b>Capital Markets — 1.9%</b>  |     |       |           |
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13  | USD | 237   | 238,174   |
| HarbourVest Partners, Term Loan (First Lien),<br>6.25%, 11/10/16                               |     | 988   | 992,438   |
| Nuveen Investments, Inc.:<br>Extended Term Loan (First Lien), 5.80% – 5.81%, 5/13/17           |     | 862   | 858,789   |
| Non Extended Term Loan (First Lien), 3.30%, 11/13/14   |     | 588   | 570,094   |
|  |     |       | 2,659,495 |
| <b>Chemicals — 6.9%</b>  |     |       |           |
| AZ Chem US, Inc., Term Loan B, 6.75%, 11/18/16   |     | 594   | 599,677   |
| Chemtura Corp., Term Facility, 5.50%, 8/16/16  |     | 700   | 705,542   |
| General Chemical Corp., Tranche B Term Loan,<br>7.25%, 9/30/15                                 |     | 998   | 1,012,463 |
| MacDermid, Inc., Tranche C Term Loan,<br>3.07%, 4/12/14  | EUR | 236   | 314,568   |
| Nexo Solutions LLC, Term Loan B, 5.00%, 8/31/17  | USD | 600   | 601,750   |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term  |     |       |           |

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|--|-------|-----------|
| Facility (First Lien), 3.52% – 3.56%, 7/30/14                    | 809   | 795,733   |
| Rockwood Specialties Group, Inc., Term Loan B,<br>3.75%, 2/01/18 | 850   | 859,031   |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17                         | 515   | 515,172   |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17                         | 1,300 | 1,311,700 |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15            | 1,330 | 1,341,079 |
| Univar, Inc., Term Loan B, 5.00% 6/30/17                         | 1,300 | 1,304,469 |
|  |       | 9,361,184 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Diversified Income Strategies Fund, Inc. (DVF)**  
 (Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>  |              |              |
| <b>Commercial Banks — 1.2%</b>   |              |              |
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15 USD                                       | 1,650        | \$ 1,670,968 |
| <b>Commercial Services &amp; Supplies — 4.0%</b>   |              |              |
| ARAMARK Corp.:   |              |              |
| Letter of Credit - 1 Facility, 0.11%, 1/26/14  | 7            | 6,913        |
| Letter of Credit - 2 Facility, 0.11%, 7/26/16  | 10           | 9,758        |
| US Term Loan, 2.18%, 1/26/14   | 86           | 85,813       |
| US Term Loan B, 3.55%, 7/26/16   | 148          | 148,387      |
| AWAS Finance Luxembourg Sarl, Loan,<br>7.75%, 6/10/16  | 262          | 268,528      |
| Advanced Disposal Services, Inc., Term Loan (First Lien),<br>6.00%, 1/14/15                    | 495          | 498,094      |
| Altegrity, Inc., (FKA US Investigations Services, Inc.)<br>Tranche D Term Loan, 7.75%, 2/21/15 | 846          | 862,665      |
| Casella Waste Systems, Inc., Term Loan B,<br>7.00%, 4/09/14                                    | 394          | 394,000      |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16  | 925          | 932,928      |
| Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B<br>Dollar Term Loan, 5.25%, 11/24/15    | 365          | 364,614      |
| Protection One, Inc., Term Loan, 6.00%, 6/04/16  | 449          | 450,056      |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16   | 299          | 297,132      |
| Synagro Technologies, Inc., Term Loan (First Lien),<br>2.27%, 4/02/14                          | 714          | 663,930      |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% – 10.75%, 8/24/16          | 499          | 503,528      |
|  |              | 5,486,346    |
| <b>Communications Equipment — 1.8%</b>   |              |              |
| Avaya, Inc., Term Loan B:  |              |              |
| 3.06%, 10/24/14  | 568          | 550,506      |
| 4.81%, 10/24/17  | 914          | 895,777      |
| CommScope, Inc., Term Loan B, 5.00%, 1/06/18   | 1,000        | 1,014,583    |
|  |              | 2,460,866    |
| <b>Construction &amp; Engineering — 0.6%</b>   |              |              |
| Safway Services, LLC, First Out Tranche Loan,  |              |              |

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|   |         |           |
|---|---------|-----------|
| 9.00%, 12/18/17   | 800     | 800,000   |
| <b>Construction Materials — 0.3%</b>  |         |           |
| Fairmount Minerals Ltd., Tranche B Term Loan,<br>6.25% – 6.75%, 8/05/16               | 404     | 408,494   |
| <b>Consumer Finance — 1.5%</b>  |         |           |
| Springleaf Financial Funding Co. (FKA AGFS<br>Funding Co.), Term Loan, 7.25%, 4/21/15 | 2,050   | 2,068,245 |
| <b>Containers &amp; Packaging — 0.7%</b>  |         |           |
| Anchor Glass Container Corp., Term Loan (First Lien),<br>6.00%, 3/02/16               | 155     | 155,621   |
| Graham Packaging Co., LP, Term Loan D, 6.00%, 9/16/16                                 | 798     | 804,128   |
|   |         | 959,749   |
| <b>Diversified Consumer Services — 3.4%</b>   |         |           |
| Coinmach Service Corp., Term Loan,<br>3.26% – 3.31%, 11/14/14                         | 1,725   | 1,616,754 |
| Laureate Education:   |         |           |
| Closing Date Term Loan, 3.55%, 8/17/14  | 805     | 787,703   |
| Delayed Draw Term Loan, 3.55%, 8/15/14  | 120     | 117,930   |
| Series A New Term Loan, 7.00%, 8/15/14  | 1,199   | 1,206,109 |
| ServiceMaster Co.:  |         |           |
| Closing Date Term Loan, 2.76% – 2.81%, 7/24/14  | 864     | 850,820   |
| Delayed Draw Term Loan, 2.77%, 7/24/14  | 86      | 84,729    |
|   |         | 4,664,045 |
| <b>Diversified Financial Services — 2.7%</b>  |         |           |
| MSCI, Inc., Term Loan B, 4.75%, 6/01/16   | 951     | 955,834   |
| Reynolds Group Holdings, Inc., Term Loan E,<br>4.25%, 2/09/18                         | 2,150   | 2,161,197 |
| Whitelabel IV SA (Ontex):   |         |           |
| Facility B1, 6.75%, 8/11/17   | EUR 160 | 223,532   |
| Facility B2, 6.75%, 8/11/17   | 265     | 369,917   |
|   |         | 3,710,480 |

|   | <b>Par</b>   |              |
|---|--------------|--------------|
|   | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                             |              |              |
| <b>Diversified Telecommunication Services — 3.3%</b>                |              |              |
| Hawaiian Telcom Communications, Inc., Term Loan,<br>9.00%, 10/28/15 | USD 1,366    | \$ 1,388,961 |
| Integra Telecom Holdings, Inc., Term Loan,<br>9.25%, 4/15/15        | 821          | 830,725      |
| Level 3 Financing, Inc.:  |              |              |



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|  |     |       |           |
|--|-----|-------|-----------|
| Incremental Tranche A Term Loan, 2.55%, 3/13/14                                      |     | 1,375 | 1,340,625 |
| Term Loan B, 11.50%, 3/13/14   |     | 125   | 134,063   |
| US Telepacific Corp., Term Loan B, 5.75%, 2/18/17                                    |     | 750   | 754,219   |
|  |     |       | 4,448,593 |
| <b>Electric Utilities — 1.1%</b>   |     |       |           |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17                           |     | 1,437 | 1,450,527 |
| <b>Electronic Equipment, Instruments &amp; Components — 0.9%</b>                     |     |       |           |
| CDW LLC (FKA CDW Corp.):   |     |       |           |
| Extended Term Loan B, 3.51%, 7/15/17   |     | 467   | 466,684   |
| Non Extended Term Loan, 4.26%, 10/10/14  |     | 720   | 718,400   |
| Flextronics International Ltd., Delayed Draw:  |     |       |           |
| Term Loan A-2, 2.51%, 10/01/14   |     | 21    | 20,611    |
| Term Loan A-3, 2.51%, 10/01/14   |     | 24    | 24,046    |
|  |     |       | 1,229,741 |
| <b>Energy Equipment &amp; Services — 0.6%</b>  |     |       |           |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16                                |     | 816   | 823,367   |
| <b>Food &amp; Staples Retailing — 3.0%</b>   |     |       |           |
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots),<br>Facility B1, 3.58%, 7/09/15 |     |       |           |
|  | GBP | 750   | 1,175,037 |
| Bolthouse Farms, Inc., Term Loan (First Lien),<br>5.50% – 5.75%, 2/11/16             |     |       |           |
|  | USD | 526   | 529,200   |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan,<br>5.25%, 6/30/16             |     | 1,288 | 1,298,468 |
| Rite Aid Corp., Term Loan B, 6.00%, 7/09/14  |     | 229   | 229,245   |
| U.S. Foodservice, Inc., Term Loan B, 2.76%, 7/03/14                                  |     | 883   | 852,695   |
|  |     |       | 4,084,645 |
| <b>Food Products — 5.9%</b>  |     |       |           |
| Advance Pierre Foods, Term Loan (Second Lien):<br>7.00%, 9/29/16                     |     |       |           |
|  |     | 928   | 934,216   |
| 11.25%, 9/29/17  |     |       |           |
|  |     | 500   | 512,500   |
| CII Investment, LLC (FKA Cloverhill):  |     |       |           |
| Delayed Draw Term Loan, 8.50%, 10/14/14  |     |       |           |
|  |     | 119   | 117,628   |
| Term Loan A, 8.50%, 10/14/14   |     |       |           |
|  |     | 361   | 357,469   |
| Term Loan B, 8.50%, 10/14/14   |     |       |           |
|  |     | 439   | 434,760   |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18   |     | 3,350 | 3,370,938 |
| Green Mountain Coffee Roasters, Inc., Term Loan B<br>Facility, 5.50%, 11/09/16       |     |       |           |
|  |     | 500   | 503,282   |
| Pinnacle Foods Finance LLC:  |     |       |           |
| Term Loan B, 2.76%, 4/02/14  |     |       |           |
|  |     | 150   | 149,438   |
| Tranche D Term Loan, 6.00%, 4/02/14  |     |       |           |
|  |     | 581   | 585,852   |

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Solvest, Ltd. (Dole):

|   |     |           |
|---|-----|-----------|
| Tranche B-1 Term Loan, 5.00% – 5.50%, 3/02/17 | 305 | 306,998   |
| Tranche C-1 Term Loan, 5.00% – 5.50%, 3/02/17 | 752 | 757,186   |
|   |     | 8,030,267 |

### **Health Care Equipment & Supplies — 0.6%**

DJO Finance LLC (FKA ReAble Therapeutics Finance LLC),

|                           |     |         |
|---------------------------|-----|---------|
| Term Loan, 3.26%, 5/20/14 | 352 | 349,837 |
|---------------------------|-----|---------|

Fresenius SE:

|  |     |         |
|--|-----|---------|
| Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14 | 284 | 284,888 |
| Tranche C-2 Term Loan, 4.50%, 9/10/14        | 150 | 150,829 |
|  |     | 785,554 |

### **Health Care Providers & Services — 6.2%**

CHS/Community Health Systems, Inc.:

|  |       |           |
|--|-------|-----------|
| Delayed Draw Term Loan, 2.51% – 2.56%, 7/25/14 | 56    | 55,916    |
| Extended Term Loan, 3.76% – 3.81%, 1/25/17     | 311   | 311,669   |
| Non Extended Term Loan, 2.51% – 2.56%, 7/25/14 | 1,093 | 1,083,681 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Diversified Income Strategies Fund, Inc. (DVF)**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |              |            |
| <b>Health Care Providers &amp; Services (concluded)</b>   |     |              |            |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/20/16   | USD | 600          | \$ 602,750 |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16  |     | 800          | 805,709    |
| HCA, Inc.:  |     |              |            |
| Tranche A-1 Term Loan, 1.55%, 11/16/12  |     | 1,132        | 1,125,755  |
| Tranche B-1 Term Loan, 2.55%, 11/18/13  |     | 87           | 86,338     |
| Tranche B-2 Term Loan, 3.55%, 3/31/17   |     | 232          | 232,345    |
| Harden Healthcare, Inc.:  |     |              |            |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  |     | 603          | 591,185    |
| Tranche A Term Loan, 8.50%, 2/22/15   |     | 360          | 352,889    |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.):   |     |              |            |
| Term Loan B, 4.75%, 7/31/16   |     | 1,164        | 1,169,418  |
| Term Loan B2, 4.75%, 8/04/16  |     | 300          | 301,125    |
| Term Loan B2, 6.50%, 8/04/16  |     | 150          | 150,656    |
| Renal Advantage Holdings, Inc., Tranche B Term Loan,<br>5.75%, 12/03/16                                   |     | 600          | 608,250    |
| Vanguard Health Holding Co. II, LLC (Vanguard Health<br>Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 |     | 909          | 914,421    |
|   |     |              | 8,392,107  |
| <b>Health Care Technology — 1.2%</b>  |     |              |            |
| IMS Health, Inc., Tranche B Dollar Term Loan,<br>5.25%, 2/26/16   |     | 993          | 1,001,565  |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16   |     | 600          | 604,500    |
|   |     |              | 1,606,065  |
| <b>Hotels, Restaurants &amp; Leisure — 8.9%</b>   |     |              |            |
| BLB Management Services, Inc. (Wembly, Inc.) Loan (Exit),<br>8.50%, 11/05/15                              |     | 428          | 429,994    |
| Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14   |     | 743          | 757,350    |
| Boyd Gaming Corp., Term Loan A, 3.81%, 12/31/15   |     | 400          | 395,168    |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/09/17  |     | 1,100        | 1,107,556  |
| Gateway Casinos & Entertainment, Ltd., Term Loan B,<br>6.50% – 7.50%, 5/12/16                             | CAD | 1,173        | 1,212,114  |
| Harrah's Operating Co., Inc.:   |     |              |            |
| Term Loan B-2, 3.30%, 1/28/15   | USD | 155          | 143,596    |

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|  |       |            |
|--|-------|------------|
| Term Loan B-3, 3.30%, 1/28/15  | 3,346 | 3,106,791  |
| Term Loan B-4, 9.50%, 10/31/16   | 385   | 407,993    |
| Seaworld Parks & Entertainment, Inc. (FKA SW Aquisitions Co., Inc.), Term B Loan, 4.00%, 8/17/17 | 411   | 412,676    |
| Sea World, Term Loan B, 4.00%, 8/16/17   | 1,039 | 1,041,523  |
| Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 5.00% – 5.50%, 6/30/16            | 895   | 905,036    |
| Travelport LLC (FKA Travelport, Inc.), Extended Delayed Draw Term Loan, 4.96%, 8/21/15           | 229   | 222,331    |
| Universal City Development Partners Ltd., Term Loan, 5.50%, 11/16/14                             | 571   | 576,265    |
| VML US Finance LLC (FKA Venetian Macau):   |       |            |
| New Project Term Loan, 4.79%, 5/27/13  | 300   | 299,938    |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12   | 298   | 298,109    |
| Term B Funded Project Loan, 4.79%, 5/27/13   | 858   | 859,193    |
|  |       | 12,175,633 |
| <br><b>Household Durables — 1.0%</b>   |       |            |
| Visant Corp. (FKA Jostens):  |       |            |
| 5.25%, 12/22/16  | 725   | 725,000    |
| Tranche B Term Loan, 7.00%, 12/20/16   | 599   | 603,857    |
|  |       | 1,328,857  |
| <br><b>IT Services — 4.7%</b>  |       |            |
| Ceridian Corp., US Term Loan, 3.26%, 11/09/14  | 1,030 | 1,014,396  |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16   | 209   | 210,829    |
| First Data Corp.:  |       |            |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14  | 1,245 | 1,178,648  |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14  | 1,728 | 1,636,250  |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14  | 881   | 833,832    |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/03/18  | 1,468 | 1,476,261  |
|  |       | 6,350,216  |

|   |                    |  |
|---|--------------------|--|
| <b>Floating Rate Loan Interests (b)</b> | <b>Par</b>         |  |
|   | <b>(000) Value</b> |  |

### Independent Power Producers & Energy Traders — 0.8%

|  |           |            |
|--|-----------|------------|
| Texas Competitive Electric Holdings Co., LLC (TXU):    |           |            |
| Initial Tranche B-1 Term Loan, 3.76% – 3.80%, 10/10/14 | USD 1,085 | \$ 914,694 |
| Initial Tranche B-2 Term Loan, 3.76% – 3.80%, 10/10/14 | 228       | 192,397    |
|  |           | 1,107,091  |

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### Industrial Conglomerates — 1.7%

|  |       |           |
|--|-------|-----------|
| Sequa Corp., Term Loan, 3.56%, 12/03/14  | 897   | 886,969   |
| Tomkins Plc, Term Loan A, 4.25%, 9/16/16 | 1,480 | 1,492,188 |
|  |       | 2,379,157 |

### Insurance — 0.9%

|  |       |           |
|--|-------|-----------|
| CNO Financial Group, Inc., Term Loan, 7.50%, 9/30/16 | 1,200 | 1,207,000 |
|--|-------|-----------|

### Internet & Catalog Retail — 0.3%

|  |     |         |
|--|-----|---------|
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | 357 | 358,172 |
|--|-----|---------|

### Leisure Equipment & Products — 0.3%

|  |     |         |
|--|-----|---------|
| EB Sports Corp., Loan, 11.50%, 5/01/12 | 474 | 474,446 |
|--|-----|---------|

### Machinery — 0.3%

|  |     |         |
|--|-----|---------|
| Navistar Financial Corp., Term Loan B, 4.55%, 12/16/12 | 400 | 398,500 |
|--|-----|---------|

### Marine — 0.3%

Horizon Lines, LLC:

|                                |     |         |
|--------------------------------|-----|---------|
| Revolving Loan, 3.31%, 8/08/12 | 246 | 228,439 |
| Term Loan, 3.31%, 8/08/12      | 134 | 127,782 |
|                                |     | 356,221 |

### Media — 20.1%

|   |       |           |
|---|-------|-----------|
| Acosta, Inc., Term Loan, 4.75%, 2/03/18   | 1,150 | 1,158,625 |
| Affinion Group, Inc., Tranche B Term Loan:  |       |           |
| 5.00%, 10/09/16   | 744   | 748,097   |
| 5.00%, 10/31/16   | 200   | 200,750   |
| Atlantic Broadband Finance, LLC, Term Loan B,   |       |           |
| 5.00%, 11/12/15   | 483   | 482,508   |
| Bresnan Telecommunications Co. LLC, Term Loan,  |       |           |
| 4.50%, 11/30/17   | 1,375 | 1,383,403 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning):   |       |           |
| Term Loan, 2.55%, 7/03/14   | 997   | 959,770   |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14   | 482   | 484,500   |
| Charter Communications Operating, LLC:  |       |           |
| Term Loan B, 7.25%, 3/06/14   | 211   | 213,073   |
| Term Loan C, 3.56%, 9/06/16   | 1,031 | 1,033,740 |
| Clarke American Corp., Term Facility B, 2.80%, 6/30/14  | 571   | 544,355   |
| Ellis Communications KDOC, LLC, Loan,   |       |           |
| 10.00%, 12/30/11  | 1,939 | 727,241   |
| FoxCo Acquisition Sub, LLC, Term Loan B, 7.50%, 7/14/15   | 524   | 523,036   |
| Getty Images, Inc., Initial Term Loan, 5.25%, 10/29/16  | 1,097 | 1,110,623 |
| HMH Publishing Co., Ltd., Tranche A Term Loan,  |       |           |
| 6.01%, 6/12/14  | 730   | 693,401   |
| Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 3/07/18 | 3,000 | 3,020,157 |

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|  |     |       |           |
|--|-----|-------|-----------|
| Interactive Data Corp., Term Loan, 4.75%, 2/08/18  |     | 1,350 | 1,361,089 |
| Knology, Inc., Term Loan B, 4.00%, 8/31/17   |     | 600   | 603,750   |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG),<br>Facility B1, 3.68%, 6/30/15                      | EUR | 304   | 385,163   |
| Mediacom Illinois, LLC (FKA Mediacom<br>Communications, LLC), Tranche D Term Loan,<br>5.50%, 3/31/17 | USD | 718   | 722,102   |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13  |     | 2,000 | 2,126,250 |
| Nielsen Finance LLC:   |     |       |           |
| Class A Dollar Term Loan, 2.26%, 8/09/13   |     | 33    | 33,385    |
| Class B Dollar Term Loan, 4.01%, 5/01/16   |     | 1,018 | 1,022,397 |
| Sinclair Television Group, Inc., New Tranche B Term Loan,<br>5.50%, 10/29/15                         |     | 614   | 620,284   |
| Springer Science+Business Media SA, Facility A1,<br>6.75%, 7/01/16                                   | EUR | 1,000 | 1,393,757 |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment),<br>Term Facility, 5.56%, 6/01/12                  | USD | 918   | 898,401   |
| UPC Broadband Holding B.V., Term U, 4.88%, 12/31/17 EUR  |     | 660   | 908,255   |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Diversified Income Strategies Fund, Inc. (DVF)**  
(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>  |     |              |              |
| <b>Media (concluded)</b>   |     |              |              |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17                       | USD | 1,134        | \$ 1,103,078 |
| Virgin Media Investment Holdings Ltd., Facility B,<br>4.53%, 12/31/15                                  | GBP | 750          | 1,219,125    |
| Weather Channel, Term Loan B, 4.25%, 2/01/17   | USD | 1,200        | 1,211,100    |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3,<br>2.76%, 8/09/11                                  |     | 633          | 613,828      |
|  |     |              | 27,505,243   |
| <b>Metals &amp; Mining — 2.0%</b>  |     |              |              |
| Euramax International, Inc., Domestic Term Loan:<br>10.00%, 6/29/13                                    |     | 643          | 619,169      |
| 14.00%, 6/29/13  |     | 626          | 602,834      |
| Novelis Corp., Term Loan, 5.25%, 12/01/16  |     | 1,500        | 1,517,679    |
|  |     |              | 2,739,682    |
| <b>Multi-Utilities — 0.2%</b>  |     |              |              |
| FirstLight Power Resources, Inc. (FKA NE Energy, Inc.):<br>Synthetic Letter of Credit, 0.16%, 11/01/13 |     | 4            | 4,310        |
| Term B Advance (First Lien), 2.81%, 11/01/13   |     | 213          | 211,943      |
|  |     |              | 216,253      |
| <b>Multiline Retail — 2.0%</b>   |     |              |              |
| Dollar General Corp., Tranche B-2 Term Loan,<br>3.01%, 7/07/14   |     | 270          | 270,395      |
| Hema Holding BV, Facility D, 5.91%, 1/01/17  | EUR | 1,400        | 1,898,131    |
| The Neiman Marcus Group, Inc., Tranche B-2 Term<br>Loan, 4.30%, 4/06/16                                | USD | 495          | 496,833      |
|  |     |              | 2,665,359    |
| <b>Oil, Gas &amp; Consumable Fuels — 1.9%</b>  |     |              |              |
| EquiPower Resources Holdings, LLC, Term Loan B,<br>5.75%, 1/11/18                                      |     | 700          | 705,250      |
| Obsidian Natural Gas Trust, Term Loan,<br>7.00%, 11/30/15  |     | 1,153        | 1,181,772    |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18  |     | 1,817        | 744,987      |
|  |     |              | 2,632,009    |

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**Personal Products — 0.9%**

NBTY, Inc., Term Loan B:

|                 |     |           |
|-----------------|-----|-----------|
| 6.25%, 9/20/17  | 650 | 656,635   |
| 4.75%, 10/01/17 | 625 | 625,000   |
|                 |     | 1,281,635 |

**Pharmaceuticals — 1.2%**

Axcan Intermediate Holdings, Inc., Term Loan,

|                |     |         |
|----------------|-----|---------|
| 5.50%, 2/03/17 | 700 | 701,750 |
|----------------|-----|---------|

Warner Chilcott Corp.:

|  |     |           |
|--|-----|-----------|
| Delayed Draw Term Loan B, 6.25%, 4/30/15 | 176 | 176,598   |
| Term Loan A, 6.00%, 10/30/14             | 348 | 347,689   |
| Term Loan B-1, 6.25%, 4/30/15            | 106 | 107,070   |
| Term Loan B-3, 6.50%, 2/20/16            | 61  | 61,297    |
| Term Loan C B-3, 6.25%, 4/30/15          | 209 | 210,421   |
|  |     | 1,604,825 |

**Professional Services — 1.6%**

Booz Allen Hamilton, Inc., Tranche B Term Loan,

|                |       |           |
|----------------|-------|-----------|
| 4.00%, 8/01/17 | 1,400 | 1,413,300 |
|----------------|-------|-----------|

Fifth Third Processing Solutions, LLC, Term Loan B

|                               |     |           |
|-------------------------------|-----|-----------|
| (First Lien), 5.50%, 10/21/16 | 700 | 705,425   |
|                               |     | 2,118,725 |

**Real Estate Investment Trusts (REITs) — 0.1%**

iStar Financial, Inc., Term Loan (Second Lien),

|                |     |         |
|----------------|-----|---------|
| 1.76%, 6/28/11 | 125 | 123,281 |
|----------------|-----|---------|

**Real Estate Management & Development — 2.0%**

Realogy Corp.:

|   |       |           |
|---|-------|-----------|
| Initial Term Loan B, 4.56%, 10/10/13        | 201   | 192,971   |
| Synthetic Letter of Credit, 4.51%, 10/10/13 | 24    | 22,868    |
| Term Loan B, 4.56%, 10/16/16                | 2,532 | 2,428,464 |
| Term Loan C, 4.51%, 10/16/16                | 155   | 148,948   |
|   |       | 2,793,251 |

**Floating Rate Loan Interests (b)** **Par**  
**(000) Value**

**Road & Rail — 0.2%**

Transtar Industries, Term Loan (First Lien),

|                 |     |     |            |
|-----------------|-----|-----|------------|
| 6.25%, 12/07/16 | USD | 275 | \$ 279,125 |
|-----------------|-----|-----|------------|

**Semiconductors & Semiconductor Equipment — 0.6%**

Freescale Semiconductor, Inc., Term Loan B,

|                 |  |     |         |
|-----------------|--|-----|---------|
| 4.51%, 12/01/16 |  | 369 | 367,858 |
|-----------------|--|-----|---------|



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|  |                   |             |
|--|-------------------|-------------|
| Microsemi Corp., Term Loan B, 5.00%, 10/25/17                        | 500               | 501,250     |
|  |                   | 869,108     |
| <b>Software — 0.9%</b>   |                   |             |
| Rovi Corp., Term Loan B, 4.00%, 2/01/18                              | 500               | 505,000     |
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16              | 446               | 448,385     |
| Vertafore, Inc., New Term Loan B, 5.25%, 7/29/16                     | 335               | 337,512     |
|  |                   | 1,290,897   |
| <b>Specialty Retail — 4.4%</b>                                       |                   |             |
| Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/18/17 | 425               | 426,416     |
| Gymboree Corp., Term Loan B, 5.00%, 2/11/18                          | 700               | 702,100     |
| J. Crew Group, Inc., Term Loan B, 5.25%, 2/01/18                     | 1,350             | 1,350,000   |
| Matalan Finance Plc, Term Facility, 5.61%, 3/24/16                   | GBP 277           | 448,263     |
| Michaels Stores, Inc.:   |                   |             |
| Term Loan B, 4.25%, 2/28/18  | USD 542           | 546,779     |
| Term Loan B-1, 2.56%, 10/31/13                                       | 223               | 221,776     |
| Term Loan B-2, 4.81%, 7/31/16  | 361               | 363,521     |
| Petco Animal Supplies, Inc., Term Loan B, 4.75%, 11/24/17            | 1,150             | 1,150,001   |
| Toys 'R' Us Delaware, Inc., Initial Loan, 6.00%, 8/17/16             | 766               | 771,777     |
|  |                   | 5,980,633   |
| <b>Textiles, Apparel &amp; Luxury Goods — 0.4%</b>                   |                   |             |
| Philips Van Huesen Corp., US Tranche B Term Loan, 5.25%, 5/06/16     | 599               | 601,526     |
| <b>Wireless Telecommunication Services — 1.2%</b>                    |                   |             |
| MetroPCS Wireless, Inc., Tranche B-2 Term Loan, 3.81%, 11/03/16      | 506               | 508,342     |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15       | 1,035             | 1,071,566   |
|  |                   | 1,579,908   |
| <b>Total Floating Rate Loan Interests — 114.5%</b>                   |                   | 156,186,713 |
|  | <b>Beneficial</b> |             |
|  | <b>Interest</b>   |             |
| <b>Other Interests (i)</b>   | <b>(000)</b>      |             |
| <b>Auto Components — 1.0%</b>  |                   |             |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B                 |                   |             |
| Membership Interests   | —(j)              | 1,344,894   |
| Intermet Liquidating Trust, Class A                                  | 256               | 3           |
|  |                   | 1,344,897   |
| <b>Diversified Financial Services — 0.4%</b>                         |                   |             |
| J.G. Wentworth LLC Preferred Equity Interests (k)                    | —(j)              | 596,461     |

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**Hotels, Restaurants & Leisure — 0.0%**

|               |     |   |
|---------------|-----|---|
| Buffets, Inc. | 360 | 4 |
|---------------|-----|---|

**Household Durables — 0.5%**

|  |   |         |
|--|---|---------|
| Stanley Martin, Class B Membership Units (k) | 1 | 648,116 |
|--|---|---------|

**Metals & Mining — 0.6%**

|                                       |    |         |
|---------------------------------------|----|---------|
| RathGibson Acquisition Corp., LLC (k) | 88 | 744,139 |
|---------------------------------------|----|---------|

**Total Other Interests — 2.5%**

3,333,617

**Warrants (l)**

**Shares**

**Hotels, Restaurants & Leisure — 0.0%**

|  |     |   |
|--|-----|---|
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14) | 304 | 3 |
|--|-----|---|

**Oil, Gas & Consumable Fuels — 0.0%**

|                                   |   |   |
|-----------------------------------|---|---|
| Turbo Cayman Ltd. (No expiration) | 1 | — |
|-----------------------------------|---|---|

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Diversified Income Strategies Fund, Inc. (DVF)**  
 (Percentages shown are based on Net Assets)

| Warrants (I)   | Shares           | Value         |
|--|------------------|---------------|
| <b>Software — 0.0%</b>   |                  |               |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17)  | 357              | \$ 4          |
| HMH Holdings/EduMedia (Expires 3/09/17)  | 4,970            | —             |
|  |                  | 4             |
| <b>Total Warrants — 0.0%</b>   |                  | 7             |
| <b>Total Long-Term Investments</b>   |                  |               |
| <b>(Cost — \$199,079,559) — 142.3%</b>   |                  | 194,063,218   |
| <b>Short-Term Securities</b>   |                  |               |
|  | <b>Shares</b>    |               |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (m)(n)   | 3,037,317        | 3,037,317     |
| <b>Total Short-Term Securities</b>   |                  |               |
| <b>(Cost — \$3,037,317) — 2.2%</b>   |                  | 3,037,317     |
| <b>Options Purchased</b>   |                  |               |
|  | <b>Contracts</b> |               |
| <b>Over-the-Counter Call Options — 0.0%</b>  |                  |               |
| Marsico Parent Superholdco LLC,<br>Strike Price USD 942.86, Expires 12/01/19,<br>Broker Goldman Sachs Bank USA | 13               | —             |
| <b>Total Options Purchased (Cost — \$12,711) — 0.0%</b>  |                  | —             |
| <b>Total Investments (Cost — \$202,129,587*) — 144.5%</b>  |                  | 197,100,535   |
| <b>Liabilities in Excess of Other Assets — (44.5)%</b>   |                  | (60,682,625)  |
| <b>Net Assets — 100.0%</b>   |                  | \$136,417,910 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$200,043,870  |
| Gross unrealized appreciation | \$ 8,254,176   |
| Gross unrealized depreciation | (11,197,511)   |
| Net unrealized depreciation   | \$ (2,943,335) |

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

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

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

**Unrealized  
Appreciation**

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| Counterparty          | Value      | (Depreciation) |
|-----------------------|------------|----------------|
| Bank of America & Co. | \$ 493,150 | —              |

- (d) Non-income producing security.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Amount is less than \$1,000.
- (k) The investment is held by a wholly owned taxable subsidiary of the Fund.
- (l) 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, if any.
- (m) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at August 31, 2010 | Net Activity | Shares Held at February 28, 2011 | Income  |
|--|--------------------------------|--------------|----------------------------------|---------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,822,139                      | 1,215,178    | 3,037,317                        | \$2,262 |

(n) Represents the current yield as of report date.

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency Purchased | Currency      | Sold      | Counterparty           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|-----------|------------------------|-----------------|--|
| USD                | 1,685,223 CAD | 1,671,000 | Citibank NA            | 4/14/11         | \$ (33,011)                            |
| USD                | 2,394,276 GBP | 1,534,500 | Citibank NA            | 4/14/11         | (99,244)                               |
| USD                | 7,184,625 EUR | 5,250,000 | Citibank NA            | 4/27/11         | (54,917)                               |
| USD                | 205,380 EUR   | 150,000   | Royal Bank of Scotland | 4/27/11         | (1,464)                                |
| <b>Total</b>       |               |           |                        |                 | <b>\$ (188,636)</b>                    |

•Fair Value Measurements — Various inputs are used in determining the fair value of

investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes which are as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- 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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

### BlackRock Diversified Income Strategies Fund, Inc. (DVF)

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs    | Level 1             | Level 2              | Level 3             | Total                |              |
|---------------------|---------------------|----------------------|---------------------|----------------------|--------------|
| <b>Assets:</b>      |                     |                      |                     |                      |              |
| Investments in      |                     |                      |                     |                      |              |
| Securities:         |                     |                      |                     |                      |              |
| Long-Term           |                     |                      |                     |                      |              |
| Investments:        |                     |                      |                     |                      |              |
| Asset-Backed        |                     |                      |                     |                      |              |
| Securities          |                     | —                    | \$ 1,803,522        | \$ 3,603,487         | \$ 5,407,009 |
| Common Stocks       | \$ 446,403          |                      | 1,281,443           | 227,711              | 1,955,557    |
| Corporate Bonds     |                     | —                    | 26,071,329          | 1,108,986            | 27,180,315   |
| Floating Rate       |                     |                      |                     |                      |              |
| Loan Interests .    |                     | —                    | 136,522,127         | 19,664,586           | 156,186,713  |
| Other Interests .   |                     | —                    | 1,344,894           | 1,988,723            | 3,333,617    |
| Warrants            |                     | —                    | —                   | 7                    | 7            |
| Short-Term          |                     |                      |                     |                      |              |
| Securities          | 3,037,317           |                      | —                   | —                    | 3,037,317    |
| Unfunded Loan       |                     |                      |                     |                      |              |
| Commitments .       |                     | —                    | 30,646              | 361                  | 31,007       |
| <b>Liabilities:</b> |                     |                      |                     |                      |              |
| Unfunded Loan       |                     |                      |                     |                      |              |
| Commitments .       |                     | —                    | —                   | (4,760)              | (4,760)      |
| <b>Total</b>        | <b>\$ 3,483,720</b> | <b>\$167,053,961</b> | <b>\$26,589,101</b> | <b>\$197,126,782</b> |              |

#### Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs    | Level 1 | Level 2      | Level 3 | Total        |
|---------------------|---------|--------------|---------|--------------|
| <b>Liabilities:</b> |         |              |         |              |
| Foreign currency    |         |              |         |              |
| exchange            |         |              |         |              |
| contracts           | —       | \$ (186,636) | —       | \$ (186,636) |

<sup>1</sup> Derivative financial instruments are foreign currency exchange contracts.

Foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument.

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

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|   | Asset-Backed<br>Securities | Common<br>Stocks  | Corporate<br>Bonds | Floating<br>Rate<br>Loan<br>Interests | Other<br>Interests | Warrants    | Unfunded Loan<br>Commitments | Total               |
|---|----------------------------|-------------------|--------------------|---------------------------------------|--------------------|-------------|------------------------------|---------------------|
| <b>Assets:</b>  |                            |                   |                    |                                       |                    |             |                              |                     |
| Balance, as of August 31, 2010                                      | \$ 338,985                 | \$ 230,600        | \$ 904,927         | \$22,878,826                          | 1,589,042          | \$ 3        | \$ 3,118                     | \$25,945,501        |
| Accrued discounts/premiums  | 66,762                     | —                 | 13,336             | 420,178                               | —                  | —           | —                            | 500,276             |
| Net realized gain (loss)  | (1,324,498)                | —                 | 1,665              | (163,595)                             | —                  | —           | —                            | (1,486,428)         |
| Net change in unrealized appreciation/<br>depreciation <sup>2</sup> | 982,950                    | 373,828           | (16,201)           | 1,065,861                             | (431,019)          | —           | (2,757)                      | 1,972,662           |
| Purchases   | 4,038,038                  | —                 | 223,447            | 13,721,843                            | 830,700            | 4           | —                            | 18,814,032          |
| Sales   | (498,750)                  | (376,717)         | (18,200)           | (18,467,896)                          | —                  | —           | —                            | (19,361,563)        |
| Transfers in <sup>3</sup>   | —                          | —                 | 12                 | 4,827,416                             | —                  | —           | —                            | 4,827,428           |
| Transfers out <sup>3</sup>  | —                          | —                 | —                  | (4,618,047)                           | —                  | —           | —                            | (4,618,047)         |
| <b>Balance, as of February 28, 2011</b>                             | <b>\$ 3,603,487</b>        | <b>\$ 227,711</b> | <b>1,108,986</b>   | <b>\$19,664,586</b>                   | <b>1,988,723</b>   | <b>\$ 7</b> | <b>\$ 361</b>                | <b>\$26,593,861</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$(41,679).

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Unfunded<br>Loan<br>Commitments |
|---|---------------------------------|
| <b>Liabilities:</b>   |                                 |
| Balance, as of August 31, 2010                              | \$ (46,743)                     |
| Accrued discounts/premiums                                  | —                               |
| Realized gain (loss)  | —                               |
| Change in unrealized appreciation/depreciation <sup>4</sup> | 41,983                          |
| Purchases   | —                               |
| Sales   | —                               |
| Transfers in <sup>5</sup>                                   | —                               |
| Transfers out <sup>5</sup>                                  | —                               |
| <b>Balance, as of February 28, 2011</b>                     | <b>\$ (4,760)</b>               |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$42,183.

<sup>5</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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## Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value             |
|---|--------------|-------------------|
| <b>Asset-Backed Securities</b>  |              |                   |
| ARES CLO Funds (a)(b):  |              |                   |
| Series 2005-10A, Class B, 0.69%, 9/18/17  | USD 750      | \$ 660,000        |
| Series 2011-16A, Class C, 2.90%, 5/17/21 (c)  | 650          | 641,095           |
| Ballyrock CDO Ltd., Series 2006-1A, Class B,<br>0.66%, 8/28/19 (a)(b)                     | 1,000        | 857,500           |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B,<br>0.78%, 6/19/21 (a)(b)                | 750          | 640,905           |
| Centurion CDO 9 Ltd., Series 2005-9A, Class B,<br>1.07%, 7/17/19 (a)(b)                   | 620          | 510,390           |
| Flagship CLO, Series 2006-1A, Class B,<br>0.64%, 9/20/19 (a)(b)                           | 1,304        | 1,075,800         |
| Fraser Sullivan CLO Ltd., Series 2006-2A, Class B,<br>0.70%, 12/20/20 (a)(b)              | 500          | 441,875           |
| Gannett Peak CLO Ltd., Class A2:  |              |                   |
| Series 2006-1A, 0.66%, 10/27/20 (a)(b)  | 830          | 714,837           |
| Series 2006-1X, 0.66%, 10/27/20   | 575          | 484,438           |
| Goldman Sachs Asset Management CLO Plc,<br>Series 2007-1A, Class B, 0.75%, 8/01/22 (a)(b) | 1,255        | 1,054,827         |
| KKR CLO Ltd., Series 2005-1A, Class B,<br>0.75%, 4/26/17 (a)(b)                           | 500          | 456,250           |
| Landmark CDO Ltd., Series 2006-8A, Class B,<br>0.66%, 10/19/20 (a)(b)                     | 1,075        | 935,078           |
| MAPS CLO Fund LLC, Series 2005-1A, Class C,<br>1.25%, 12/21/17 (a)(b)                     | 575          | 501,688           |
| Portola CLO Ltd., Series 2007-1X, Class B1,<br>1.76%, 11/15/21                            | 765          | 707,625           |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B,<br>0.90%, 7/15/19 (a)(b)                | 655          | 561,944           |
| <b>Total Asset-Backed Securities — 3.6%</b>   |              | <b>10,244,252</b> |
| <b>Common Stocks (d)</b>  |              |                   |
| <b>Chemicals — 0.0%</b>   |              |                   |
| GEO Specialty Chemicals, Inc.   | 13,117       | 5,036             |
| Wellman Holdings, Inc.  | 430          | 21                |
|   |              | 5,057             |

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**Construction Materials — 0.0%**

|              |       |        |
|--------------|-------|--------|
| Nortek, Inc. | 1,540 | 68,530 |
|--------------|-------|--------|

**Electrical Equipment — 0.0%**

|                         |        |       |
|-------------------------|--------|-------|
| Medis Technologies Ltd. | 71,654 | 1,505 |
|-------------------------|--------|-------|

**Paper & Forest Products — 0.4%**

|                           |         |         |
|---------------------------|---------|---------|
| Ainsworth Lumber Co. Ltd. | 133,089 | 439,726 |
|---------------------------|---------|---------|

|                               |         |         |
|-------------------------------|---------|---------|
| Ainsworth Lumber Co. Ltd. (a) | 152,951 | 505,350 |
|-------------------------------|---------|---------|

|                                   |        |        |
|-----------------------------------|--------|--------|
| Western Forest Products, Inc. (a) | 84,448 | 64,321 |
|-----------------------------------|--------|--------|

1,009,397

**Software — 0.2%**

|                       |        |         |
|-----------------------|--------|---------|
| HMH Holdings/EduMedia | 92,606 | 463,030 |
|-----------------------|--------|---------|

**Total Common Stocks — 0.6%**

1,547,519

**Par**

**Corporate Bonds**

**(000)**

**Airlines — 0.2%**

|  |         |         |
|--|---------|---------|
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | USD 541 | 584,363 |
|--|---------|---------|

**Auto Components — 0.8%**

|  |    |        |
|--|----|--------|
| Delphi International Holdings Unsecured,<br>12.00%, 10/06/14 | 32 | 35,537 |
|--|----|--------|

|                                      |       |           |
|--------------------------------------|-------|-----------|
| Icahn Enterprises LP, 7.75%, 1/15/16 | 2,215 | 2,286,988 |
|--------------------------------------|-------|-----------|

2,322,525

**Par**

**Corporate Bonds**

**(000) Value**

**Chemicals — 1.0%**

|                                     |         |            |
|-------------------------------------|---------|------------|
| CF Industries, Inc., 6.88%, 5/01/18 | USD 905 | \$ 999,459 |
|-------------------------------------|---------|------------|

|   |     |         |
|---|-----|---------|
| GEO Specialty Chemicals, Inc. (a):<br>7.50%, 3/31/15 (e)(f) | 857 | 856,987 |
|---|-----|---------|

|                 |     |         |
|-----------------|-----|---------|
| 10.00%, 3/31/15 | 844 | 780,848 |
|-----------------|-----|---------|

|   |     |         |
|---|-----|---------|
| Wellman Holdings, Inc., Subordinate Note (Third Lien),<br>5.00%, 1/29/19 (e)(f) | 476 | 185,485 |
|---|-----|---------|

2,822,779

**Commercial Banks — 1.2%**

|                                    |     |         |
|------------------------------------|-----|---------|
| CIT Group, Inc.:<br>7.00%, 5/01/14 | 150 | 152,906 |
|------------------------------------|-----|---------|

|                |     |         |
|----------------|-----|---------|
| 7.00%, 5/01/16 | 400 | 403,500 |
|----------------|-----|---------|

|                |       |           |
|----------------|-------|-----------|
| 7.00%, 5/01/17 | 2,815 | 2,836,113 |
|----------------|-------|-----------|

3,392,519

**Commercial Services & Supplies — 0.7%**

|   |       |           |
|---|-------|-----------|
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a) | 1,249 | 1,283,347 |
|---|-------|-----------|

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|  |     |       |           |
|--|-----|-------|-----------|
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)               |     | 530   | 569,750   |
|  |     |       | 1,853,097 |
| <b>Construction Materials — 0.6%</b>                             |     |       |           |
| Nortek, Inc., 11.00%, 12/01/13                                   |     | 1,547 | 1,647,389 |
| <b>Consumer Finance — 0.5%</b>                                   |     |       |           |
| Credit Acceptance Corp., 9.13%, 2/01/17                          |     | 360   | 387,900   |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)                        |     | 915   | 983,625   |
|  |     |       | 1,371,525 |
| <b>Containers &amp; Packaging — 1.2%</b>                         |     |       |           |
| Berry Plastics Corp., 8.25%, 11/15/15                            |     | 1,600 | 1,714,000 |
| OI European Group BV, 6.88%, 3/31/17                             | EUR | 143   | 205,474   |
| Smurfit Kappa Acquisitions (a):                                  |     |       |           |
| 7.25%, 11/15/17  |     | 525   | 767,947   |
| 7.75%, 11/15/19  |     | 500   | 738,277   |
|  |     |       | 3,425,698 |
| <b>Diversified Financial Services — 1.6%</b>                     |     |       |           |
| Ally Financial, Inc., 2.51%, 12/01/14 (b)                        | USD | 2,600 | 2,554,903 |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16               |     | 160   | 176,400   |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (a)              |     | 700   | 745,500   |
| Reynolds Group Issuer, Inc. (a):                                 |     |       |           |
| 7.75%, 10/15/16  | EUR | 400   | 585,102   |
| 6.88%, 2/15/21   | USD | 395   | 395,987   |
|  |     |       | 4,457,892 |
| <b>Diversified Telecommunication Services — 0.6%</b>             |     |       |           |
| ITC Deltacom, Inc., 10.50%, 4/01/16                              |     | 540   | 592,650   |
| Qwest Communications International, Inc.:                        |     |       |           |
| 8.00%, 10/01/15  |     | 600   | 654,750   |
| Series B, 7.50%, 2/15/14   |     | 434   | 440,510   |
|  |     |       | 1,687,910 |
| <b>Electronic Equipment, Instruments &amp; Components — 0.2%</b> |     |       |           |
| CDW LLC, 8.00%, 12/15/18 (a)                                     |     | 500   | 537,500   |
| <b>Food &amp; Staples Retailing — 0.1%</b>                       |     |       |           |
| AmeriQual Group LLC, 9.50%, 4/01/12 (a)                          |     | 250   | 247,500   |
| <b>Food Products — 0.4%</b>                                      |     |       |           |
| B&G Foods, Inc., 7.63%, 1/15/18                                  |     | 600   | 640,500   |
| Smithfield Foods, Inc., 10.00%, 7/15/14                          |     | 363   | 428,340   |
|  |     |       | 1,068,840 |
| <b>Health Care Equipment &amp; Supplies — 0.5%</b>               |     |       |           |
| DJO Finance LLC, 10.88%, 11/15/14                                |     | 1,245 | 1,364,831 |
| <b>Health Care Providers &amp; Services — 0.8%</b>               |     |       |           |
| HCA, Inc., 7.25%, 9/15/20  |     | 485   | 523,194   |

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Tenet Healthcare Corp.:

|                |       |           |
|----------------|-------|-----------|
| 9.00%, 5/01/15 | 175   | 192,500   |
| 8.88%, 7/01/19 | 1,360 | 1,547,000 |
|                |       | 2,262,694 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Health Care Technology — 0.8%</b>                              |     |              |              |
| IMS Health, Inc., 12.50%, 3/01/18 (a)                             | USD | 1,860        | \$ 2,180,850 |
| <b>Hotels, Restaurants &amp; Leisure — 0.3%</b>                   |     |              |              |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/18    |     | 45           | 42,300       |
| Little Traverse Bay Bands of Odawa Indians,<br>9.00%, 8/31/20 (a) |     | 473          | 390,225      |
| MGM Resorts International, 10.38%, 5/15/14                        |     | 490          | 548,800      |
|   |     |              | 981,325      |
| <b>Household Durables — 0.5%</b>                                  |     |              |              |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                          |     | 1,200        | 1,395,000    |
| <b>Independent Power Producers &amp; Energy Traders — 2.5%</b>    |     |              |              |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)           |     | 1,125        | 1,220,625    |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (a)                 |     | 1,000        | 1,041,352    |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20   |     | 2,700        | 2,818,400    |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)                              |     | 2,000        | 2,082,500    |
|   |     |              | 7,162,877    |
| <b>Industrial Conglomerates — 0.6%</b>                            |     |              |              |
| Sequa Corp., 13.50%, 12/01/15 (a)(e)                              |     | 1,557        | 1,724,750    |
| <b>Media — 2.1%</b>   |     |              |              |
| CSC Holdings, Inc., 8.50%, 4/15/14                                |     | 420          | 470,400      |
| Checkout Holding Corp., 10.69% 11/15/15 (a)(g)                    |     | 870          | 561,150      |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17        |     | 401          | 445,110      |
| Series B, 9.25%, 12/15/17   |     | 1,604        | 1,784,450    |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)               |     | 615          | 661,125      |
| UPC Germany GmbH, 8.13%, 12/01/17 (a)                             |     | 2,000        | 2,145,000    |
|   |     |              | 6,067,235    |
| <b>Metals &amp; Mining — 0.7%</b>                                 |     |              |              |
| FMG Resources August 2006 Pty Ltd.,<br>7.00%, 11/01/15 (a)        |     | 840          | 871,500      |
| Novelis, Inc., 8.38%, 12/15/17 (a)                                |     | 935          | 1,030,837    |
|   |     |              | 1,902,337    |

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**Multiline Retail — 0.2%**

|   |     |         |
|---|-----|---------|
| Dollar General Corp., 11.88%, 7/15/17 (e) | 445 | 514,531 |
|---|-----|---------|

**Oil, Gas & Consumable Fuels — 0.1%**

|   |     |         |
|---|-----|---------|
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a) | 275 | 299,750 |
|---|-----|---------|

**Paper & Forest Products — 0.6%**

|   |       |           |
|---|-------|-----------|
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(e) | 1,266 | 1,285,258 |
|---|-------|-----------|

|  |     |           |
|--|-----|-----------|
| Verso Paper Holdings LLC, Series B, 4.05%, 8/01/14 (b) | 340 | 338,300   |
|  |     | 1,623,558 |

**Pharmaceuticals — 0.2%**

|  |     |         |
|--|-----|---------|
| Angiotech Pharmaceuticals, Inc., 4.06%, 12/01/13 (b) | 515 | 432,600 |
|--|-----|---------|

|  |     |         |
|--|-----|---------|
| Valeant Pharmaceuticals International (a): |     |         |
| 6.75%, 10/01/17                            | 95  | 98,325  |
| 7.00%, 10/01/20                            | 120 | 124,050 |
|  |     | 654,975 |

**Professional Services — 0.1%**

|   |     |         |
|---|-----|---------|
| FTI Consulting, Inc., 6.75%, 10/01/20 (a) | 170 | 170,000 |
|---|-----|---------|

**Real Estate Investment Trusts (REITs) — 0.1%**

|   |     |         |
|---|-----|---------|
| Omega Healthcare Investors, Inc., 6.75%, 10/15/22 (a) | 140 | 141,400 |
|---|-----|---------|

**Wireless Telecommunication Services — 1.5%**

|  |       |           |
|--|-------|-----------|
| Cricket Communications, Inc., 7.75%, 5/15/16 | 1,700 | 1,797,750 |
|--|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Digicel Group Ltd. (a):                                |       |           |
| 9.13%, 1/15/15 (e)                                     | 278   | 289,537   |
| 8.25%, 9/01/17   | 315   | 329,175   |
| iPCS, Inc., 2.43%, 5/01/13 (b)                         | 1,500 | 1,481,250 |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 275   | 277,234   |
|  |       | 4,174,946 |

|                                      |  |                   |
|--------------------------------------|--|-------------------|
| <b>Total Corporate Bonds — 20.7%</b> |  | <b>58,040,596</b> |
|--------------------------------------|--|-------------------|

|   | <b>Par</b> | <b>(000) Value</b> |
|---|------------|--------------------|
| <b>Floating Rate Loan Interests (b)</b>                 |            |                    |
| <b>Aerospace &amp; Defense — 3.0%</b>                   |            |                    |
| DynCorp International, Term Loan, 6.25%, 7/07/16        | USD 1,746  | \$ 1,759,808       |
| Hawker Beechcraft Acquisition Co., LLC:                 |            |                    |
| Letter of Credit Linked Deposit, 0.20%, 3/26/14         | 78         | 69,322             |
| Term Loan, 2.26% – 2.30%, 3/26/14                       | 1,337      | 1,195,033          |
| SI Organization Co., New Tranche B Term Loan,           |            |                    |
| 4.50%, 10/29,15   | 1,925      | 1,939,437          |
| Scitor Corp., Term Loan B, 5.75%, 2/01/17               | 1,550      | 1,544,188          |
| TransDigm, Inc., Term Loan (First Lien), 5.25%, 2/14/17 | 1,800      | 1,810,746          |
|   |            | 8,318,534          |

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### Airlines — 0.7%

|  |       |           |
|--|-------|-----------|
| Delta Air Lines, Inc., Credit-Linked Deposit Loan,<br>0.11% – 2.26%, 4/30/12 | 1,888 | 1,873,344 |
|--|-------|-----------|

### Auto Components — 1.1%

|  |       |           |
|--|-------|-----------|
| Allison Transmission, Inc., Term Loan, 3.02%, 8/07/14                                  | 1,189 | 1,184,985 |
| GPX International Tire Corp., Tranche B Term Loan (d)(h):<br>8.37%, 3/30/12            | 549   | —         |
| 12.00%, 4/11/12  | 9     | —         |
| Armored Autogroup, Inc. (FKA Viking Aquisition, Inc.),<br>Term Loan B, 6.00%, 11/02/16 | 1,090 | 1,095,450 |
| UCI International, Inc., Term Loan, 5.50%, 7/06/17                                     | 750   | 752,579   |
|  |       | 3,033,014 |

### Biotechnology — 0.4%

|  |       |           |
|--|-------|-----------|
| Grifols SA, Term Loan B, 6.00%, 10/01/16 | 1,200 | 1,214,000 |
|--|-------|-----------|

### Building Products — 3.6%

|  |           |            |
|--|-----------|------------|
| Armstrong World Industries, Inc., Term Loan B,<br>5.00%, 5/17/16                               | 1,550     | 1,567,422  |
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17   | 1,800     | 1,805,634  |
| Goodman Global, Inc., Initial Term Loan (First Lien),<br>5.75%, 10/13/16                       | 4,738     | 4,772,922  |
| Momentive Performance Materials (Blitz 06-103 GmbH),<br>Tranche B-2B Term Loan, 4.36%, 5/05/15 | EUR 652   | 874,461    |
| PGT Industries, Inc., Tranche A-2 Term Loan,<br>6.75%, 2/14/12                                 | USD 1,068 | 1,047,035  |
|  |           | 10,067,474 |

### Capital Markets — 1.9%

|   |       |           |
|---|-------|-----------|
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13                                     | 456   | 459,196   |
| HarbourVest Partners, Term Loan (First Lien),<br>6.25%, 11/10/16                        | 1,975 | 1,984,875 |
| Nuveen Investments, Inc.:<br>Extended Term Loan (First Lien),<br>5.80% – 5.81%, 5/13/17 | 1,753 | 1,746,353 |
| Non Extended Term Loan (First Lien), 3.30%, 11/13/14                                    | 1,222 | 1,184,902 |
|   |       | 5,375,326 |

### Chemicals — 6.9%

|  |         |           |
|--|---------|-----------|
| AZ Chem US, Inc., Term Loan B, 6.75%, 11/18/16                 | 1,187   | 1,199,353 |
| Chemtura Corp., Term Facility, 5.50%, 8/16/16                  | 1,400   | 1,411,084 |
| General Chemical Corp., Tranche B Term Loan,<br>7.25%, 9/30/15 | 1,995   | 2,024,925 |
| MacDermid, Inc., Tranche C Term Loan,<br>3.07%, 4/12/14        | EUR 542 | 723,507   |

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|   |     |       |            |
|---|-----|-------|------------|
| Nexeo Solutions LLC, Term Loan B, 5.00%, 8/31/17  | USD | 1,200 | 1,203,500  |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term Facility (First Lien), 3.52% – 3.56%, 7/30/14 |     | 1,871 | 1,840,975  |
| Rockwood Specialties Group, Inc., Term Loan B, 3.75%, 2/01/18   |     | 1,750 | 1,768,594  |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17  |     | 1,067 | 1,068,392  |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17  |     | 2,700 | 2,724,300  |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15   |     | 2,775 | 2,798,116  |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17   |     | 2,700 | 2,709,283  |
|   |     |       | 19,472,029 |
| <br><b>Commercial Banks — 1.2%</b>  |     |       |            |
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15  |     | 3,250 | 3,291,301  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |              |            |
| <b>Commercial Services &amp; Supplies — 4.0%</b>  |     |              |            |
| ARAMARK Corp.:  |     |              |            |
| Letter of Credit - 1 Facility, 0.11%, 1/26/14   | USD | 16           | \$ 16,310  |
| Letter of Credit - 2 Facility, 0.11%, 7/26/16   |     | 24           | 23,576     |
| US Term Loan, 2.18%, 1/26/14  |     | 203          | 202,466    |
| US Term Loan B, 3.55%, 7/26/16  |     | 358          | 358,490    |
| AWAS Finance Luxembourg Sarl, Loan,<br>7.75%, 6/10/16   |     | 523          | 537,056    |
| Advanced Disposal Services, Inc., Term Loan (First Lien),<br>6.00%, 1/14/15                     |     | 1,089        | 1,095,806  |
| Altegrity, Inc., (FKA US Investigations Services, Inc.),<br>Tranche D Term Loan, 7.75%, 2/21/15 |     | 1,741        | 1,776,075  |
| Casella Waste Systems, Inc., Term Loan B,<br>7.00%, 4/09/14                                     |     | 739          | 738,750    |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16   |     | 1,875        | 1,891,070  |
| Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B<br>Dollar Term Loan, 5.25%, 11/24/15     |     | 772          | 772,124    |
| Protection One, Inc., Term Loan, 6.00%, 6/04/16   |     | 864          | 866,341    |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16  |     | 572          | 569,503    |
| Synagro Technologies, Inc., Term Loan (First Lien),<br>2.27%, 4/02/14                           |     | 1,548        | 1,439,580  |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% – 10.75%, 8/24/16           |     | 998          | 1,007,056  |
|   |     |              | 11,294,203 |
| <b>Communications Equipment — 1.8%</b>  |     |              |            |
| Avaya, Inc., Term Loan B:   |     |              |            |
| 3.06%, 10/24/14   |     | 1,187        | 1,150,857  |
| 4.81%, 10/24/17   |     | 1,927        | 1,887,796  |
| CommScope, Inc., Term Loan B, 5.00%, 1/06/18  |     | 2,000        | 2,029,166  |
|   |     |              | 5,067,819  |
| <b>Construction &amp; Engineering — 0.6%</b>  |     |              |            |
| Safway Services, LLC, First Out Tranche Loan,<br>9.00%, 12/18/17                                |     |              |            |
|   |     | 1,700        | 1,700,000  |
| <b>Construction Materials — 0.3%</b>  |     |              |            |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Fairmount Minerals Ltd., Tranche B Term Loan,<br>6.25% – 6.75%, 8/05/16               |     | 832          | 841,018      |
| <b>Consumer Finance — 1.5%</b>  |     |              |              |
| Springleaf Financial Funding Co. (FKA AGFS Funding<br>Co.), Term Loan, 7.25%, 4/21/15 |     | 4,100        | 4,136,490    |
| <b>Containers &amp; Packaging — 0.8%</b>  |     |              |              |
| Anchor Glass Container Corp., Term Loan (First Lien),<br>6.00%, 3/02/16               |     | 305          | 306,441      |
| Berry Plastics Holding Corp., Term Loan C,<br>2.29% – 2.31%, 4/03/15                  |     | 278          | 270,501      |
| Graham Packaging Co., LP:<br>Term Loan C, 6.75%, 4/05/14                              |     | 626          | 629,767      |
| Term Loan D, 6.00%, 9/16/16   |     | 1,097        | 1,105,676    |
|   |     |              | 2,312,385    |
| <b>Diversified Consumer Services — 3.1%</b>   |     |              |              |
| Coinmach Service Corp., Term Loan,<br>3.26% – 3.31%, 11/14/14                         |     | 3,241        | 3,038,357    |
| Laureate Education:<br>Closing Date Term Loan, 3.55%, 8/17/14                         |     | 1,174        | 1,149,621    |
| Delayed Draw Term Loan, 3.55%, 8/15/14  |     | 176          | 172,114      |
| Series A New Term Loan, 7.00%, 8/15/14  |     | 2,454        | 2,467,924    |
| ServiceMaster Co.:<br>Closing Date Term Loan, 2.76% – 2.81%, 7/24/14                  |     | 1,833        | 1,804,094    |
| Delayed Draw Term Loan, 2.77%, 7/24/14  |     | 183          | 179,661      |
|   |     |              | 8,811,771    |
|   |     | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>   |     | <b>(000)</b> | <b>Value</b> |
| <b>Diversified Financial Services — 2.6%</b>  |     |              |              |
| MSCI, Inc., Term Loan B, 4.75%, 6/01/16   | USD | 1,617        | \$ 1,624,918 |
| Reynolds Group Holdings, Inc., Term Loan E,<br>4.25%, 2/09/18                         |     | 4,400        | 4,422,915    |
| Whitelabel IV SA (Ontex):<br>Facility B1, 6.75%, 8/11/17                              | EUR | 339          | 473,363      |
| Facility B2, 6.75%, 8/11/17   |     | 561          | 783,353      |
|   |     |              | 7,304,549    |
| <b>Diversified Telecommunication Services — 2.7%</b>                                  |     |              |              |
| Hawaiian Telcom Communications, Inc., Term Loan,<br>9.00%, 10/28/15                   | USD | 1,350        | 1,373,062    |
| Integra Telecom Holdings, Inc., Term Loan,  |     |              |              |

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|  |     |       |           |
|--|-----|-------|-----------|
| 9.25%, 4/15/15   |     | 1,617 | 1,636,277 |
| Level 3 Financing, Inc.:   |     |       |           |
| Incremental Tranche A Term Loan, 2.55%, 3/13/14                  |     | 2,950 | 2,876,250 |
| Term Loan B, 11.50%, 3/13/14                                     |     | 250   | 268,125   |
| US Telepacific Corp., Term Loan B, 5.75%, 2/18/17                |     | 1,500 | 1,508,438 |
|  |     |       | 7,662,152 |
| <b>Electric Utilities — 1.0%</b>                                 |     |       |           |
| New Development Holdings LLC, Term Loan,                         |     |       |           |
| 7.00%, 7/03/17   |     | 2,923 | 2,951,024 |
| <b>Electronic Equipment, Instruments &amp; Components — 0.9%</b> |     |       |           |
| CDW LLC (FKA CDW Corp.):   |     |       |           |
| Extended Term Loan B, 3.51%, 7/15/17                             |     | 986   | 985,656   |
| Non Extended Term Loan, 4.26%, 10/10/14                          |     | 1,490 | 1,486,689 |
| Flextronics International Ltd., Delayed Draw:                    |     |       |           |
| Term Loan A-2, 2.51%, 10/01/14                                   |     | 39    | 38,932    |
| Term Loan A-3, 2.51%, 10/01/14                                   |     | 46    | 45,421    |
|  |     |       | 2,556,698 |
| <b>Energy Equipment &amp; Services — 0.7%</b>                    |     |       |           |
| MEG Energy Corp., Tranche D Term Loan,                           |     |       |           |
| 6.00%, 4/03/16   |     | 2,055 | 2,073,342 |
| <b>Food &amp; Staples Retailing — 3.0%</b>                       |     |       |           |
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots),            |     |       |           |
| Facility B1, 3.58%, 7/09/15                                      | GBP | 1,825 | 2,859,258 |
| Bolthouse Farms, Inc., Term Loan (First Lien),                   |     |       |           |
| 5.50% – 5.75%, 2/11/16   | USD | 1,052 | 1,058,399 |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan,           |     |       |           |
| 5.25%, 6/30/16   |     | 2,361 | 2,380,524 |
| Rite Aid Corp., Term Loan B, 6.00%, 7/09/14                      |     | 473   | 473,442   |
| U.S. Foodservice, Inc., Term Loan B, 2.76%, 7/03/14              |     | 1,782 | 1,719,795 |
|  |     |       | 8,491,418 |
| <b>Food Products — 6.2%</b>                                      |     |       |           |
| Advance Pierre Foods, Term Loan (Second Lien):                   |     |       |           |
| 7.00%, 9/29/16   |     | 1,965 | 1,978,925 |
| 11.25%, 9/29/17  |     | 1,100 | 1,127,500 |
| CII Investment, LLC (FKA Cloverhill):                            |     |       |           |
| Delayed Draw Term Loan, 8.50%, 10/14/14                          |     | 248   | 245,950   |
| Term Loan A, 8.50%, 10/14/14                                     |     | 755   | 747,435   |
| Term Loan B, 8.50%, 10/14/14                                     |     | 918   | 909,044   |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18                     |     | 6,950 | 6,993,437 |
| Green Mountain Coffee Roasters, Inc., Term Loan B                |     |       |           |
| Facility, 5.50%, 11/09/16  |     | 1,000 | 1,006,563 |

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### Michaels Stores, Inc.:

|                                       |     |         |
|---------------------------------------|-----|---------|
| Term Loan B1, 2.56% – 2.63%, 10/31/13 | 125 | 125,990 |
| Term Loan B1, 4.81% – 4.87%, 10/31/13 | 965 | 972,608 |

### Pinnacle Foods Finance LLC:

|                                     |       |           |
|-------------------------------------|-------|-----------|
| Term Loan B, 2.76%, 4/02/14         | 300   | 298,875   |
| Tranche D Term Loan, 6.00%, 4/02/14 | 1,213 | 1,222,032 |

### Solvest, Ltd. (Dole):

|   |       |            |
|---|-------|------------|
| Tranche B-1 Term Loan, 5.00% – 5.50%, 3/02/17 | 493   | 496,395    |
| Tranche C-1 Term Loan, 5.00% – 5.50%, 3/02/17 | 1,227 | 1,234,687  |
|   |       | 17,359,441 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |              |            |
| <b>Health Care Equipment &amp; Supplies — %</b>   |     |              |            |
| Biomet, Inc., Dollar Term Loan,<br>3.26% – 3.30%, 3/25/15   | USD | 339          | \$ 338,773 |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC),<br>Term Loan, 3.26%, 5/20/14                       |     | 800          | 793,822    |
| Fresenius SE:<br>Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14   |     | 627          | 630,002    |
| Tranche C-2 Term Loan, 4.50%, 9/10/14   |     | 334          | 335,687    |
|   |     |              | 2,098,284  |
| <b>Health Care Providers &amp; Services — 6.2%</b>  |     |              |            |
| CHS/Community Health Systems, Inc.:   |     |              |            |
| Delayed Draw Term Loan, 2.51% – 2.56%, 7/25/14  |     | 115          | 113,699    |
| Extended Term Loan, 3.76% – 3.81%, 1/25/17  |     | 784          | 785,336    |
| Non Extended Term Loan, 2.51% – 2.56%, 7/25/14  |     | 2,213        | 2,194,807  |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/22/16   |     | 1,300        | 1,305,958  |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16  |     | 1,700        | 1,712,131  |
| HCA, Inc.:  |     |              |            |
| Tranche A-1 Term Loan, 1.55%, 11/19/12  |     | 1,319        | 1,312,038  |
| Tranche B-1, Term Loan, 2.55%, 11/18/13   |     | 636          | 633,918    |
| Tranche B-2, Term Loan, 3.55%, 3/31/17  |     | 1,166        | 1,168,704  |
| Harden Healthcare, Inc.:  |     |              |            |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  |     | 1,235        | 1,210,300  |
| Tranche A Term Loan, 8.50%, 2/22/15   |     | 720          | 705,778    |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.):   |     |              |            |
| Term Loan B, 4.75%, 7/31/16   |     | 2,433        | 2,443,781  |
| Term Loan B2, 4.75%, 8/04/16  |     | 567          | 568,792    |
| Term Loan B2, 6.50%, 8/04/16  |     | 283          | 284,573    |
| Renal Advantage Holdings, Inc., Tranche B Term Loan,<br>5.75%, 12/03/16                                   |     | 1,200        | 1,216,500  |
| Vanguard Health Holding Co. II, LLC (Vanguard Health<br>Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 |     | 1,802        | 1,813,846  |
|   |     |              | 17,470,161 |
| <b>Health Care Technology — 1.1%</b>  |     |              |            |
| IMS Health, Inc., Tranche B Dollar, Term Loan,  |     |              |            |

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|   |  |       |           |
|---|--|-------|-----------|
| 5.25%, 2/26/16                                |  | 1,876 | 1,891,229 |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16 |  | 1,200 | 1,209,000 |
|   |  |       | 3,100,229 |

### Hotels, Restaurants & Leisure — 9.2%

|  |     |       |            |
|--|-----|-------|------------|
| BLB Management Services, Inc. (Wembly, Inc.) Loan (Exit),<br>8.50%, 11/05/15                         |     | 891   | 896,266    |
| Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14  |     | 1,485 | 1,514,700  |
| Boyd Gaming Corp., Term Loan A, 3.81%, 12/31/15  |     | 450   | 444,564    |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/09/17   |     | 2,300 | 2,315,799  |
| Gateway Casinos & Entertainment, Ltd., Term Loan B,<br>6.50% – 7.50%, 5/12/16                        | CAD | 2,370 | 2,450,073  |
| Harrah's Operating Co., Inc.:  |     |       |            |
| Term Loan B-1, 3.30%, 1/28/15  | USD | 192   | 178,472    |
| Term Loan B-2, 3.30%, 1/28/15  |     | 315   | 291,825    |
| Term Loan B-3, 3.30%, 1/28/15  |     | 6,983 | 6,483,570  |
| Term Loan B-4, 9.50%, 10/31/16   |     | 575   | 609,340    |
| Seaworld Parks & Entertainment, Inc. (FKA SW<br>Acquisitions Co., Inc.), Term B Loan, 4.00%, 8/17/17 |     | 2,326 | 2,331,087  |
| Sea World, Term Loan B, 4.00%, 8/16/17   |     | 674   | 677,162    |
| Six Flags Theme Parks, Inc., Tranche B Term Loan<br>(First Lien), 5.50%, 6/30/16                     |     | 1,790 | 1,810,072  |
| Travelport LLC (FKA Travelport, Inc.):   |     |       |            |
| Delayed Draw Term Loan, 4.96%, 8/21/15   |     | 473   | 459,163    |
| Extended Delayed Draw Term Loan, 4.96%, 8/21/15  |     | 148   | 143,523    |
| Term Loan B, 4.96%, 8/21/15  |     | 720   | 699,661    |
| Universal City Development Partners Ltd., Term Loan,<br>5.50%, 11/16/14                              |     | 1,141 | 1,152,529  |
| VML US Finance LLC (FKA Venetian Macau):   |     |       |            |
| New Project Term Loan, 4.79%, 5/27/13  |     | 758   | 757,833    |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12   |     | 234   | 234,700    |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12   |     | 705   | 706,283    |
| Term B Funded Project Loan, 4.79%, 5/27/13   |     | 1,635 | 1,636,749  |
|  |     |       | 25,793,371 |

|   |  |              |              |
|---|--|--------------|--------------|
|   |  | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b> |  | <b>(000)</b> | <b>Value</b> |

### Household Durables — 1.0%

|                                      |     |       |              |
|--------------------------------------|-----|-------|--------------|
| Visant Corp. (FKA Jostens):          |     |       |              |
| 7.00%, 12/20/16                      | USD | 1,475 | \$ 1,475,000 |
| Tranche B Term Loan, 7.00%, 12/20/16 |     | 1,297 | 1,308,356    |

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|  |       |            |
|--|-------|------------|
|  |       | 2,783,356  |
| <b>IT Services — 4.4%</b>                                      |       |            |
| Ceridian Corp., US Term Loan, 3.26%, 11/09/14                  | 1,247 | 1,228,300  |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16                     | 413   | 416,614    |
| First Data Corp.:  |       |            |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14                  | 2,770 | 2,622,373  |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14                  | 3,818 | 3,615,224  |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14                  | 1,270 | 1,202,048  |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/03/18          | 3,235 | 3,252,789  |
|  |       | 12,337,348 |
| <b>Independent Power Producers &amp; Energy Traders — 0.9%</b> |       |            |
| Texas Competitive Electric Holdings Co., LLC (TXU):            |       |            |
| Initial Tranche B-1 Term Loan,                                 |       |            |
| 3.76% – 3.80%, 10/10/14  | 1,522 | 1,283,055  |
| Initial Tranche B-3 Term Loan,                                 |       |            |
| 3.76% – 3.80%, 10/10/14  | 1,408 | 1,183,915  |
|  |       | 2,466,970  |
| <b>Industrial Conglomerates — 1.7%</b>                         |       |            |
| Sequa Corp., Term Loan, 3.56%, 12/03/14                        | 1,768 | 1,748,735  |
| Tomkins Plc, Term Loan A, 4.25%, 9/16/16                       | 2,960 | 2,984,375  |
|  |       | 4,733,110  |
| <b>Insurance — 0.9%</b>  |       |            |
| CNO Financial Group, Inc., Term Loan, 7.50%, 9/30/16           | 2,425 | 2,439,145  |
| <b>Internet &amp; Catalog Retail — 0.2%</b>                    |       |            |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14           | 536   | 537,258    |
| <b>Machinery — 0.3%</b>  |       |            |
| Navistar Financial Corp., Term Loan B, 4.55%, 12/16/12         | 825   | 821,906    |
| <b>Marine — 0.2%</b>   |       |            |
| Horizon Lines, LLC:  |       |            |
| Revolving Loan, 3.31%, 8/08/12                                 | 491   | 456,879    |
| Term Loan, 3.31%, 8/08/12                                      | 268   | 255,563    |
|  |       | 712,442    |
| <b>Media — 19.2%</b>   |       |            |
| Acosta, Inc., Term Loan, 4.75%, 2/03/18                        | 2,350 | 2,367,625  |
| Affinion Group, Inc., Tranche B Term Loan:                     |       |            |
| 5.00%, 10/09/16  | 1,489 | 1,496,194  |
| 5.00%, 10/31/16  | 500   | 501,875    |
| Atlantic Broadband Finance, LLC, Term Loan B,                  |       |            |
| 5.00%, 11/12/15  | 965   | 965,017    |
| Bresnan Telecommunications Co. LLC, Term Loan,                 |       |            |
| 4.50%, 11/30/17  | 2,925 | 2,942,875  |

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Cengage Learning Acquisitions, Inc. (Thomson Learning):

|   |       |           |
|---|-------|-----------|
| Term Loan, 2.55%, 7/03/14   | 2,992 | 2,879,310 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14   | 771   | 774,419   |
| Charter Communications Operating, LLC:  |       |           |
| Term Loan B, 7.25%, 3/06/14   | 413   | 416,000   |
| Term Loan C, 3.56%, 9/06/16   | 2,397 | 2,402,595 |
| Clarke American Corp., Term Facility B, 2.80%, 6/30/14  | 1,238 | 1,181,015 |
| FoxCo Acquisition Sub, LLC, Term Loan B, 7.50%, 7/14/15   | 936   | 934,699   |
| Getty Images, Inc., Initial Term Loan, 5.25%, 10/29/16  | 2,145 | 2,170,764 |
| HMH Publishing Co., Ltd., Tranche A Term Loan,<br>6.01%, 6/12/14  | 1,465 | 1,390,952 |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan,<br>2.56% – 2.63%, 3/10/14                                    | 4     | 1,861     |
| Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson<br>Holdings Ltd.), Tranche B Term Loan, 5.25%, 3/07/18 | 6,500 | 6,543,673 |
| Interactive Data Corp., Term Loan, 4.75%, 2/08/18   | 2,750 | 2,772,588 |
| Knology, Inc., Term Loan B, 4.00%, 8/31/17  | 1,200 | 1,207,500 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>                   |     |              |            |
| <b>Media (concluded)</b>                                  |     |              |            |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):          |     |              |            |
| Facility B1, 3.68%, 6/30/15                               | EUR | 304          | \$ 385,163 |
| Facility C1, 3.93%, 6/30/16                               |     | 304          | 385,163    |
| MCNA Cable Holdings LLC (OneLink Communications),         |     |              |            |
| Loan, 6.97%, 3/01/13 (e)                                  | USD | 1,263        | 1,174,431  |
| Mediacom Illinois, LLC (FKA Mediacom                      |     |              |            |
| Communications, LLC), Tranche D Term Loan,                |     |              |            |
| 5.50%, 3/31/17  |     | 448          | 450,531    |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13       |     | 2,500        | 2,657,813  |
| Nielsen Finance LLC:                                      |     |              |            |
| Class A Dollar Term Loan, 2.26%, 8/09/13                  |     | 55           | 55,165     |
| Class B Dollar Term Loan, 4.01%, 5/01/16                  |     | 2,336        | 2,346,976  |
| Sinclair Television Group, Inc., New Tranche B Term Loan, |     |              |            |
| 5.50%, 10/29/15   |     | 1,023        | 1,033,806  |
| Springer Science+Business Media SA, Facility A1,          |     |              |            |
| 6.75%, 7/01/16  | EUR | 2,000        | 2,787,514  |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment),        |     |              |            |
| Term Facility, 5.56%, 6/01/12                             | USD | 1,893        | 1,852,309  |
| UPC Broadband Holding B.V., Term U, 4.88%, 12/31/17 EUR   |     |              |            |
|   |     | 1,456        | 2,002,289  |
| Univision Communications, Inc., Extended First Lien       |     |              |            |
| Term Loan, 4.52%, 3/31/17                                 | USD | 2,309        | 2,245,017  |
| Virgin Media Investment Holdings Ltd., Facility B,        |     |              |            |
| 4.53%, 12/31/15   | GBP | 1,350        | 2,194,425  |
| Weather Channel, Term Loan B, 4.25%, 2/01/17              |     |              |            |
|   | USD | 2,500        | 2,523,125  |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3,       |     |              |            |
| 2.76%, 8/09/11  |     | 844          | 818,437    |
|   |     |              | 53,861,126 |
| <b>Metals &amp; Mining — 1.4%</b>                         |     |              |            |
| Euramax International, Inc., Domestic Term Loan:          |     |              |            |
| 10.00%, 6/29/13   |     | 513          | 494,231    |
| 14.00%, 6/29/13   |     | 500          | 481,147    |
| Novelis Corp., Term Loan, 5.25%, 12/01/16                 |     |              |            |
|   |     | 3,000        | 3,035,358  |
|   |     |              | 4,010,736  |

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### Multi-Utilities — 0.1%

FirstLight Power Resources, Inc. (FKA NE Energy, Inc.):

|  |     |         |
|--|-----|---------|
| Synthetic Letter of Credit, 0.16%, 11/01/13  | 8   | 8,166   |
| Term B Advance (First Lien), 2.81%, 11/01/13 | 404 | 401,626 |
|  |     | 409,792 |

### Multiline Retail — 1.0%

Dollar General Corp., Tranche B-2 Term Loan,

|                |     |         |
|----------------|-----|---------|
| 3.01%, 7/07/14 | 616 | 616,330 |
|----------------|-----|---------|

Hema Holding BV:

|                            |     |     |         |
|----------------------------|-----|-----|---------|
| Facility B, 2.91%, 7/06/15 | EUR | 406 | 555,278 |
|----------------------------|-----|-----|---------|

|                            |  |     |         |
|----------------------------|--|-----|---------|
| Facility C, 3.66%, 7/05/16 |  | 406 | 555,278 |
|----------------------------|--|-----|---------|

The Neiman Marcus Group, Inc., Tranche B-2 Term

|                      |     |       |           |
|----------------------|-----|-------|-----------|
| Loan, 4.30%, 4/06/16 | USD | 1,017 | 1,022,057 |
|----------------------|-----|-------|-----------|

2,748,943

### Oil, Gas & Consumable Fuels — 1.4%

EquiPower Resources Holdings, LLC, Term Loan B,

|                |       |           |
|----------------|-------|-----------|
| 5.75%, 1/11/18 | 1,450 | 1,460,875 |
|----------------|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 | 2,354 | 2,412,417 |
|--|-------|-----------|

3,873,292

### Paper & Forest Products — 1.1%

Georgia-Pacific LLC, Term Loan B, 2.30%, 12/23/12

|       |           |
|-------|-----------|
| 1,128 | 1,128,452 |
|-------|-----------|

Verso Paper Finance Holdings LLC, Loan,

|                            |       |           |
|----------------------------|-------|-----------|
| 6.55% – 7.30%, 2/01/13 (e) | 2,193 | 1,973,467 |
|----------------------------|-------|-----------|

3,101,919

### Personal Products — 0.9%

NBTY, Inc., Term Loan B:

|                |       |           |
|----------------|-------|-----------|
| 6.25%, 9/20/17 | 1,300 | 1,313,270 |
|----------------|-------|-----------|

|                 |       |           |
|-----------------|-------|-----------|
| 4.75%, 10/01/17 | 1,300 | 1,300,000 |
|-----------------|-------|-----------|

2,613,270

### Floating Rate Loan Interests (b)

**Par  
(000) Value**

#### Pharmaceuticals — 1.2%

Axcan Intermediate Holdings, Inc., Term Loan,

|                |     |       |              |
|----------------|-----|-------|--------------|
| 5.50%, 2/03/17 | USD | 1,467 | \$ 1,470,333 |
|----------------|-----|-------|--------------|

Warner Chilcott Corp.:

|                                      |     |         |
|--------------------------------------|-----|---------|
| Additional Term Loan, 6.25%, 4/30/15 | 425 | 428,008 |
|--------------------------------------|-----|---------|

|  |     |         |
|--|-----|---------|
| Delayed Draw Term Loan B, 6.25%, 4/30/15 | 338 | 339,675 |
|--|-----|---------|

|                              |     |         |
|------------------------------|-----|---------|
| Term Loan A, 6.00%, 10/30/14 | 695 | 695,174 |
|------------------------------|-----|---------|

|                               |     |         |
|-------------------------------|-----|---------|
| Term Loan B-1, 6.25%, 4/30/15 | 203 | 204,027 |
|-------------------------------|-----|---------|

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|   |         |           |
|---|---------|-----------|
| Term Loan B-3, 6.50%, 2/20/16   | 151     | 152,379   |
|   |         | 3,289,596 |
| <b>Professional Services — 1.6%</b>   |         |           |
| Booz Allen Hamilton, Inc., Tranche B Term Loan,<br>4.00%, 8/01/17                   | 2,875   | 2,902,313 |
| Fifth Third Processing Solutions, LLC, Term Loan B<br>(First Lien), 5.50%, 10/21/16 | 1,500   | 1,511,625 |
|   |         | 4,413,938 |
| <b>Real Estate Investment Trusts (REITs) — 0.1%</b>                                 |         |           |
| iStar Financial, Inc., Term Loan (Second Lien),<br>1.76%, 6/28/11                   | 225     | 221,906   |
| <b>Real Estate Management &amp; Development — 2.4%</b>                              |         |           |
| Mattamy Funding Partnership, Term Loan,<br>2.56%, 4/11/13                           | 407     | 388,491   |
| Realogy Corp.:  |         |           |
| Exit Term Loan, 3.29%, 10/16/16   | 600     | 578,625   |
| Term Loan B, 4.56%, 10/16/16  | 5,710   | 5,476,496 |
| Term Loan C, 4.51%, 10/16/16  | 300     | 287,537   |
|   |         | 6,731,149 |
| <b>Road &amp; Rail — 0.2%</b>   |         |           |
| Transtar Industries, Term Loan (First Lien), 6.25%, 12/07/16                        | 500     | 507,500   |
| <b>Semiconductors &amp; Semiconductor Equipment — 0.7%</b>                          |         |           |
| Freescale Semiconductor, Inc., Extended Maturity<br>Term Loan, 4.51%, 12/01/16      | 651     | 854,642   |
| Microsemi Corp., Term Loan B, 5.00%, 10/25/17                                       | 1,100   | 1,102,750 |
|   |         | 1,957,392 |
| <b>Software — 1.1%</b>  |         |           |
| Rovi Corp., Term Loan B, 4.00%, 2/01/18   | 1,000   | 1,010,000 |
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16                             | 1,290   | 1,297,508 |
| Vertafore, Inc., New Term Loan B, 5.25%, 7/29/16                                    | 685     | 690,137   |
|   |         | 2,997,645 |
| <b>Specialty Retail — 4.0%</b>  |         |           |
| Burlington Coat Factory Warehouse Corp., Term Loan B,<br>6.25%, 2/18/17             | 950     | 953,167   |
| Gymboree Corp., Term Loan B, 5.00%, 2/11/18   | 1,450   | 1,454,350 |
| J. Crew Group, Inc., Term Loan B, 5.25%, 2/01/18                                    | 2,800   | 2,800,000 |
| Matalan Finance Plc, Term Facility, 5.61%, 3/24/16                                  | GBP 462 | 747,098   |
| Michaels Stores, Inc.:  |         |           |
| Term Loan B-1, 2.56% – 2.63%, 10/31/13  | USD 736 | 733,446   |
| Term Loan B-2, 4.81% – 4.88%, 7/31/16   | 495     | 498,733   |
| Petco Animal Supplies, Inc., Term Loan B,   |         |           |

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|   |       |             |
|---|-------|-------------|
| 4.75%, 11/24/17   | 2,375 | 2,375,000   |
| Toys 'R' Us Delaware, Inc., Initial Loan, 6.00%, 8/17/16            | 1,637 | 1,648,796   |
|   |       | 11,210,590  |
| <b>Textiles, Apparel &amp; Luxury Goods — 0.4%</b>                  |       |             |
| Philips Van Huesen Corp., US Tranche B Term Loan,<br>5.25%, 5/06/16 | 1,212 | 1,217,115   |
| <b>Wireless Telecommunication Services — 1.0%</b>                   |       |             |
| MetroPCS Wireless, Inc., Tranche B-2 Term Loan,<br>3.81%, 11/03/16  | 987   | 990,475     |
| Vodafone Americas Finance 2 Inc., Initial Loan,<br>6.88%, 7/30/15   | 1,812 | 1,875,241   |
|   |       | 2,865,716   |
| <b>Total Floating Rate Loan Interests — 112.6%</b>                  |       | 316,532,537 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)  
(Percentages shown are based on Net Assets)

|   | <b>Beneficial<br/>Interest<br/>(000) Value</b> |                  |
|---|--|------------------|
| <b>Other Interests (i)</b>                                |  |                  |
| <b>Auto Components — 1.0%</b>                             |  |                  |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B      |  |                  |
| Membership Interests                                      | —(j) \$  | 2,829,275        |
| <b>Diversified Financial Services — 0.3%</b>              |  |                  |
| J.G. Wentworth LLC Preferred Equity Interests (k)         | —(j)   | 684,050          |
| <b>Total Other Interests — 1.3%</b>                       |  | 3,513,325        |
| <b>Warrants (l)</b>                                       |  | <b>Shares</b>    |
| <b>Software — 0.0%</b>                                    |  |                  |
| HMH Holdings/EduMedia (Expires 3/09/17)                   | 11,690   | —                |
| <b>Total Warrants — 0.0%</b>                              |  | —                |
| <b>Total Long-Term Investments</b>                        |  |                  |
| <b>(Cost — \$387,858,960) — 138.8%</b>                    |  | 389,878,229      |
| <b>Short-Term Securities</b>                              |  |                  |
| BlackRock Liquidity Funds, TempFund, Institutional        |  |                  |
| Class, 0.15% (m)(n)                                       | 2,358,167                                      | 2,358,167        |
| <b>Total Short-Term Securities</b>                        |  |                  |
| <b>(Cost — \$2,358,167) — 0.8%</b>                        |  | 2,358,167        |
| <b>Options Purchased</b>                                  |  | <b>Contracts</b> |
| <b>Over-the-Counter Call Options — 0.0%</b>               |  |                  |
| Marsico Parent Superholdco LLC,                           |  |                  |
| Strike Price USD 942.86, Expires 12/21/19,                |  |                  |
| Broker Goldman Sachs Bank USA                             | 20   | —                |
| <b>Total Options Purchased (Cost — \$19,555) — 0.0%</b>   |  | —                |
| <b>Total Investments (Cost — \$390,236,682*) — 139.6%</b> |  | 392,236,396      |
| <b>Liabilities in Excess of Other Assets — (39.6)%</b>    |  | (111,169,305)    |
| <b>Net Assets — 100.0%</b>                                |  | \$281,067,091    |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 388,985,138 |
| Gross unrealized appreciation | \$ 13,197,780  |
| Gross unrealized depreciation | (9,946,522)    |
| Net unrealized appreciation   | \$ 3,251,258   |

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

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

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

| Counterparty          | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------|--|
| Bank of America & Co. | \$ 641,095 | —  |

(d) Non-income producing security.

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

(f) Convertible security.

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

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

(i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(j) Amount is less than \$1,000.

(k) The investment is held by a wholly owned taxable subsidiary of the Fund.

(l) 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, if any.

(m) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31, 2010 | Net<br>Activity | Shares Held at<br>February, 2011 | Income   |
|--|-----------------------------------|-----------------|----------------------------------|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 788,199                           | 1,569,968       | 2,358,167                        | \$ 2,884 |

(n) Represents the current yield as of report date.

\*Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty     | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|------------------|--------------------|--|
| USD 157,253           | EUR 114,000      | Citibank NA      | 3/01/11            | \$ (62)                                      |
| USD 2,686,266         | CAD 2,665,000    | Citibank NA      | 4/14/11            | (54,066)                                     |
| USD 4,137,941         | GBP 2,652,000    | Citibank NA      | 4/14/11            | (171,486)                                    |
| USD 804,405           | GBP 498,500      | Deutsche Bank AG | 4/14/11            | (5,644)                                      |

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|              |            |     |           |                           |         |                     |
|--------------|------------|-----|-----------|---------------------------|---------|---------------------|
| USD          | 12,407,757 | EUR | 9,070,000 | Citibank NA               | 4/27/11 | (99,414)            |
| EUR          | 750,000    | USD | 1,028,599 | Citibank NA               | 4/27/11 | 5,622               |
| USD          | 390,223    | EUR | 285,000   | Royal Bank<br>of Scotland | 4/27/11 | (2,781)             |
| EUR          | 150,000    | USD | 205,181   | UBS AG                    | 4/27/11 | 1,663               |
| <b>Total</b> |            |     |           |                           |         | <b>\$ (326,168)</b> |

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- 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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

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

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs    | Level 1      | Level 2 | Level 3       | Total         |               |
|---------------------|--------------|---------|---------------|---------------|---------------|
| <b>Assets:</b>      |              |         |               |               |               |
| Investments in      |              |         |               |               |               |
| Securities:         |              |         |               |               |               |
| Long-Term           |              |         |               |               |               |
| Investments:        |              |         |               |               |               |
| Asset-Backed        |              |         |               |               |               |
| Securities          |              | —       | \$ 3,363,154  | \$ 6,881,098  | \$ 10,244,252 |
| Common Stocks       | \$ 574,082   |         | 505,350       | 468,087       | 1,547,519     |
| Corporate Bonds     |              | —       | 55,791,514    | 2,249,082     | 58,040,596    |
| Floating Rate       |              |         |               |               |               |
| Loan Interests      |              | —       | 276,656,452   | 39,876,085    | 316,532,537   |
| Other Interests     |              | —       | 2,829,275     | 684,050       | 3,513,325     |
| Short-Term          |              |         |               |               |               |
| Securities          | 2,358,167    |         | —             | —             | 2,358,167     |
| Unfunded Loan       |              |         |               |               |               |
| Commitments         |              | —       | 26,990        | 4,269         | 31,259        |
| <b>Liabilities:</b> |              |         |               |               |               |
| Unfunded Loan       |              |         |               |               |               |
| Commitments         |              | —       | —             | (11,082)      | (11,082)      |
| <b>Total</b>        | \$ 2,932,249 |         | \$339,172,735 | \$ 50,151,589 | \$392,256,573 |

#### Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs    | Level 1 | Level 2      | Level 3 | Total        |
|---------------------|---------|--------------|---------|--------------|
| <b>Assets:</b>      |         |              |         |              |
| Foreign currency    |         |              |         |              |
| exchange            |         |              |         |              |
| contracts.          | —       | \$ 7,285     | —       | \$ 7,285     |
| <b>Liabilities:</b> |         |              |         |              |
| Foreign currency    |         |              |         |              |
| exchange            |         |              |         |              |
| contracts.          | —       | (333,453)    | —       | (333,453)    |
| <b>Total</b>        | —       | \$ (326,168) | —       | \$ (326,168) |



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<sup>1</sup> Derivative financial instruments are foreign currency exchange contracts.

Foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed<br>Securities | Common<br>Stocks | Corporate<br>Bonds | Floating<br>Rate<br>Loan<br>Interests | Other<br>Interests | Unfunded Loan<br>Commitments | Total         |
|---|----------------------------|------------------|--------------------|---------------------------------------|--------------------|------------------------------|---------------|
| <b>Assets:</b>  |                            |                  |                    |                                       |                    |                              |               |
|   |                            |                  |                    | \$                                    |                    |                              |               |
| Balance, as of August 31, 2010                                      |                            | — \$ 472,121     | 1,318,391          | \$39,854,006                          | \$ 684,050         | \$ 6,517                     | \$42,335,085  |
| Accrued discounts/premiums  | \$ 31,427                  | —                | 64,382             | 908,601                               | —                  | —                            | 1,004,410     |
| Net realized gain (loss)  | —                          | —                | —                  | (362,035)                             | —                  | —                            | (362,035)     |
| Net change in unrealized appreciation/<br>depreciation <sup>2</sup> | (13,827)                   | (4,034)          | 443,084            | 1,737,303                             | —                  | (2,248)                      | 2,160,278     |
| Purchases   | 6,863,498                  | —                | 423,225            | 16,953,831                            | —                  | —                            | 24,240,554    |
| Sales   | —                          | —                | —                  | —(21,483,046)                         | —                  | —                            | —(21,483,046) |
| Transfers in <sup>3</sup>   | —                          | —                | —                  | 8,064,078                             | —                  | —                            | 8,064,078     |
| Transfers out <sup>3</sup>  | —                          | —                | —                  | —(5,796,653)                          | —                  | —                            | —(5,796,653)  |
|   |                            |                  |                    | \$                                    |                    |                              |               |
| <b>Balance, as of February 28, 2011</b>                             | \$ 6,881,098               | \$ 468,087       | 2,249,082          | \$39,876,085                          | \$ 684,050         | \$ 4,269                     | \$50,162,671  |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$1,866,252.

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Unfunded<br>Loan | Commitments |
|---|------------------|-------------|
| <b>Liabilities:</b>   |                  |             |
| Balance, as of August 31, 2010                              |                  | \$ (75,622) |
| Accrued discounts/premiums                                  |                  | —           |
| Realized gain (loss)  |                  | —           |
| Change in unrealized appreciation/depreciation <sup>4</sup> |                  | 64,540      |
| Purchases   |                  | —           |
| Sales   |                  | —           |
| Transfers in <sup>5</sup>                                   |                  | —           |
| Transfers out <sup>5</sup>                                  |                  | —           |
| <b>Balance, as of February 28, 2011</b>                     |                  | \$ (11,082) |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation

on the Statements of Operations. The change in the unrealized appreciation/  
depreciation on the securities still held on February 28, 2011 was \$64,540.

<sup>5</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of  
the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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## Schedule of Investments February 28, 2011 (Unaudited)

### BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Asset-Backed Securities</b>  |     |              |              |
| <b>Asset-Backed Securities — 5.1%</b>   |     |              |              |
| 321 Henderson Receivables I LLC, Series 2010-3A,<br>Class A, 3.82%, 12/15/48 (a)        | USD | 5,032        | \$ 4,871,786 |
| ARES CLO Funds, Series 2005-10A, Class B,<br>0.69%, 9/18/17 (a)(b)                      |     | 1,500        | 1,320,000    |
| Ballyrock CDO Ltd., Series 2006-1A, Class B,<br>0.66%, 8/28/19 (a)(b)                   |     | 1,500        | 1,286,250    |
| CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16                                      |     | 750          | 776,250      |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B,<br>0.78%, 6/19/21 (a)(b)              |     | 1,735        | 1,482,627    |
| Capital One Multi-Asset Execution Trust, Series 4-3C,<br>6.63%, 4/19/17 (b)             | GBP | 2,650        | 4,412,159    |
| Carrington Mortgage Loan Trust, Series 2007-RFC1,<br>Class A1, 0.31%, 12/25/36 (b)      | USD | 454          | 426,017      |
| Countrywide Asset-Backed Certificates (b):  |     |              |              |
| Series 2007-6, Class 2A1, 0.36%, 9/25/37  |     | 213          | 209,203      |
| Series 2007-10, Class 2A1, 0.31%, 6/25/47   |     | 2,396        | 2,305,668    |
| Ford Credit Floorplan Master Owner Trust, Series<br>2006-4, Class A, 0.52%, 6/15/13 (b) |     | 4,015        | 4,007,294    |
| GSA Trust, Series 2007-3, Class 1A2,<br>0.43%, 3/25/47 (b)                              |     | 3,505        | 1,809,071    |
| Gannett Peak CLO Ltd., Class A2:  |     |              |              |
| Series 2006-1A, 0.66%, 10/27/20 (a)(b)  |     | 1,915        | 1,649,294    |
| Series 2006-1X, 0.66%, 10/27/20   |     | 1,330        | 1,120,525    |
| LCM LP, Series 8A, Class C, 3.37%, 1/14/21 (a)(b)                                       |     | 3,000        | 2,992,500    |
| Portola CLO Ltd., Series 2007-1X, Class B1,<br>1.76%, 11/15/21                          |     | 1,770        | 1,637,250    |
| SLC Student Loan Trust, Series 2006-A, Class A4,<br>0.42%, 1/15/19 (b)                  |     | 1,920        | 1,865,809    |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B,<br>0.90%, 7/15/19 (a)(b)              |     | 1,515        | 1,299,764    |
|   |     |              | 33,471,467   |
| <b>Interest Only Asset-Backed Securities — 0.3%</b>                                     |     |              |              |
| Sterling Bank Trust, Series 2004-2, Class Note,   |     |              |              |

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|   |     |               |              |
|---|-----|---------------|--------------|
| 2.08%, 3/30/30 (a)  |     | 13,236        | 852,390      |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29                |     | 12,152        | 888,625      |
|   |     |               | 1,741,015    |
| <b>Total Asset-Backed Securities — 5.4%</b>                   |     |               | 35,212,482   |
| <b>Common Stocks (c)</b>                                      |     | <b>Shares</b> |              |
| <b>Chemicals — 0.0%</b>                                       |     |               |              |
| LyondellBasell Industries NV, Class A                         |     | 7,442         | 283,391      |
| <b>Construction &amp; Engineering — 0.0%</b>                  |     |               |              |
| USI United Subcontractors Common                              |     | 6,116         | 128,428      |
| <b>Hotels, Restaurants &amp; Leisure — 0.1%</b>               |     |               |              |
| BLB Worldwide Holdings, Inc.                                  |     | 51,947        | 519,470      |
| <b>Metals &amp; Mining — 0.0%</b>                             |     |               |              |
| Euramax International   |     | 234           | 61,930       |
| <b>Software — 0.2%</b>  |     |               |              |
| Bankruptcy Management Solutions, Inc.                         |     | 880           | 3,081        |
| HMH Holdings/EduMedia   |     | 238,664       | 1,193,320    |
|   |     |               | 1,196,401    |
| <b>Total Common Stocks — 0.3%</b>                             |     |               | 2,189,620    |
|   |     | <b>Par</b>    |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b>  |              |
| <b>Aerospace &amp; Defense — 0.2%</b>                         |     |               |              |
| Kratos Defense & Security Solutions, Inc.,<br>10.00%, 6/01/17 | USD | 1,400         | 1,578,500    |
| <b>Airlines — 1.7%</b>  |     |               |              |
| Air Canada, 9.25%, 8/01/15 (a)                                |     | 2,000         | 2,140,000    |
| American Airlines, Inc., 10.50%, 10/15/12                     |     | 2,890         | 3,171,775    |
|   |     |               |              |
|   |     | <b>Par</b>    |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b>  | <b>Value</b> |
| <b>Airlines (concluded)</b>                                   |     |               |              |
| Continental Airlines, Inc., 6.75%, 9/15/15 (a)                | USD | 1,350         | \$ 1,387,125 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 (d)          |     | 1,302         | 1,406,367    |
| United Air Lines, Inc., 12.75%, 7/15/12 (d)                   |     | 2,455         | 2,743,686    |
|   |     |               | 10,848,953   |
| <b>Auto Components — 0.0%</b>                                 |     |               |              |
| Delphi International Holdings Unsecured,<br>12.00%, 10/06/14  |     | 65            | 71,074       |
| <b>Beverages — 0.1%</b>                                       |     |               |              |
| Crown European Holdings SA, 7.13%, 8/15/18 (a)                | EUR | 585           | 859,748      |
| <b>Building Products — 0.9%</b>                               |     |               |              |

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|   |     |       |                         |
|---|-----|-------|-------------------------|
| Associated Materials LLC, 9.13%, 11/01/17 (a)                 | USD | 1,180 | 1,275,875               |
| Building Materials Corp. of America,<br>7.00%, 2/15/20 (a)(d) |     | 1,875 | 1,975,781               |
| Momentive Performance Materials, Inc.,<br>9.00%, 1/15/21 (a)  |     | 2,445 | 2,600,869<br>5,852,525  |
| <b>Capital Markets — 1.0%</b>                                 |     |       |                         |
| American Capital Ltd., 7.96%, 12/31/13                        |     | 1,675 | 1,715,317               |
| E*Trade Financial Corp., 8/31/19 (a)(e)(f)                    |     | 249   | 384,705                 |
| Goldman Sachs Group LP, 5.00%, 10/01/14 (d)                   |     | 3,000 | 3,231,885               |
| SteelRiver Transmission Co. LLC, 4.71%, 6/30/17 (a)           |     | 1,330 | 1,311,221<br>6,643,128  |
| <b>Chemicals — 0.4%</b>                                       |     |       |                         |
| American Pacific Corp., 9.00%, 2/01/15                        |     | 1,100 | 1,080,750               |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20 (a)                |     | 875   | 930,781                 |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (a)                       |     | 545   | 598,138<br>2,609,669    |
| <b>Commercial Banks — 3.1%</b>                                |     |       |                         |
| CIT Group, Inc.:  |     |       |                         |
| 7.00%, 5/01/16  |     | 1,170 | 1,180,237               |
| 7.00%, 5/01/17 (d)  |     | 7,990 | 8,049,925               |
| Regions Financial Corp. (d):                                  |     |       |                         |
| 6.38%, 5/15/12  |     | 4,590 | 4,707,504               |
| 4.88%, 4/26/13  |     | 1,355 | 1,361,775               |
| Standard Chartered Plc, 3.85%, 4/27/15 (a)(d)                 |     | 3,100 | 3,191,500               |
| Wells Fargo & Co., 5.50%, 6/15/16 (d)(g)                      |     | 1,870 | 1,909,988<br>20,400,929 |
| <b>Commercial Services &amp; Supplies — 1.1%</b>              |     |       |                         |
| ACCO Brands Corp., 10.63%, 3/15/15                            |     | 1,425 | 1,610,250               |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)               |     | 1,524 | 1,565,910               |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)            |     | 1,240 | 1,333,000               |
| International Lease Finance Corp., 8.25%, 12/15/20            |     | 472   | 525,100                 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a)                        |     | 540   | 575,100                 |
| West Corp. (a):   |     |       |                         |
| 8.63%, 10/01/18   |     | 910   | 964,600                 |
| 7.88%, 1/15/19  |     | 405   | 415,631<br>6,989,591    |
| <b>Communications Equipment — 0.1%</b>                        |     |       |                         |
| Avaya Inc., 7.00%, 4/01/19 (a)                                |     | 400   | 396,000                 |
| <b>Consumer Finance — 0.9%</b>                                |     |       |                         |
| Credit Acceptance Co., 9.13%, 2/01/17                         |     | 910   | 964,600                 |

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Ford Motor Credit Co. LLC:

|  |       |           |
|--|-------|-----------|
| 3.05%, 1/13/12 (b)                             | 565   | 570,757   |
| 7.80%, 6/01/12 (d)                             | 1,665 | 1,775,629 |
| 6.63%, 8/15/17                                 | 1,300 | 1,382,652 |
| Hyundai Capital America, 3.75%, 4/06/16 (a)(d) | 1,285 | 1,258,471 |
|  |       | 5,952,109 |

**Containers & Packaging — 1.5%**

|   |     |       |           |
|---|-----|-------|-----------|
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (a) | EUR | 695   | 990,240   |
| Berry Plastics Corp.:                             |     |       |           |
| 8.25%, 11/15/15                                   | USD | 2,400 | 2,571,000 |
| 9.75%, 1/15/21 (a)                                |     | 1,650 | 1,654,125 |
| Pregis Corp., 12.38%, 10/15/13                    |     | 955   | 962,163   |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                 |     |              |              |
| <b>Containers &amp; Packaging (concluded)</b>          |     |              |              |
| Smurfit Kappa Acquisitions (a):                        |     |              |              |
| 7.25%, 11/15/17  | EUR | 1,215        | \$ 1,777,247 |
| 7.75%, 11/15/19  |     | 1,155        | 1,705,420    |
|  |     |              | 9,660,195    |
| <b>Diversified Financial Services — 4.4%</b>           |     |              |              |
| Ally Financial, Inc.:                                  |     |              |              |
| 8.30%, 2/12/15   | USD | 3,150        | 3,555,562    |
| 7.50%, 9/15/20 (a)(d)                                  |     | 2,660        | 2,909,375    |
| 8.00%, 11/01/31  |     | 1,150        | 1,316,750    |
| 8.00%, 11/01/31  |     | 1,240        | 1,420,287    |
| Bank of America Corp., 4.50%, 4/01/15 (d)              |     | 3,000        | 3,133,575    |
| Citigroup, Inc., 4.75%, 5/19/15 (d)                    |     | 3,000        | 3,166,587    |
| JPMorgan Chase & Co., 3.40%, 6/24/15 (d)               |     | 6,000        | 6,080,808    |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (a)(d) |     | 2,610        | 2,779,650    |
| Reynolds Group Issuer, Inc. (a):                       |     |              |              |
| 7.13%, 4/15/19 (d)                                     |     | 1,800        | 1,845,000    |
| 6.88%, 2/15/21   |     | 915          | 917,288      |
| 8.25%, 2/15/21   |     | 1,135        | 1,137,838    |
|  |     |              | 28,262,720   |
| <b>Diversified Telecommunication Services — 2.3%</b>   |     |              |              |
| ITC Deltacom, Inc., 10.50%, 4/01/16                    |     |              |              |
|  |     | 1,690        | 1,854,775    |
| Level 3 Financing, Inc., 8.75%, 2/15/17                |     |              |              |
|  |     | 2,120        | 2,082,900    |
| Qwest Communications International, Inc.:              |     |              |              |
| 7.50%, 2/15/14   |     | 610          | 619,150      |
| 8.00%, 10/01/15 (d)                                    |     | 2,500        | 2,728,125    |
| Series B, 7.50%, 2/15/14 (d)                           |     | 2,985        | 3,029,775    |
| Qwest Corp., 8.38%, 5/01/16 (d)                        |     | 2,590        | 3,091,812    |
| TW Telecom Holdings, Inc., 8.00%, 3/01/18              |     |              |              |
|  |     | 630          | 675,675      |
| Windstream Corp.:                                      |     |              |              |
| 8.13%, 8/01/13   |     | 590          | 649,738      |
| 8.63%, 8/01/16   |     | 450          | 475,875      |
|  |     |              | 15,207,825   |
| <b>Electric Utilities — 0.0%</b>                       |     |              |              |

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|  |     |              |              |
|--|-----|--------------|--------------|
| Elwood Energy LLC, 8.16%, 7/05/26                                |     | 118          | 116,839      |
| <b>Electronic Equipment, Instruments &amp; Components — 1.4%</b> |     |              |              |
| Agilent Technologies, Inc., 4.45%, 9/14/12 (d)                   |     | 7,325        | 7,626,358    |
| CDW LLC, 8.00%, 12/15/18 (a)                                     |     | 1,180        | 1,268,500    |
|  |     |              | 8,894,858    |
| <b>Energy Equipment &amp; Services — 0.3%</b>                    |     |              |              |
| Compagnie Generale de Geophysique-Veritas:                       |     |              |              |
| 7.50%, 5/15/15   |     | 195          | 201,825      |
| 7.75%, 5/15/17   |     | 330          | 348,975      |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a)                      |     | 1,270        | 1,314,450    |
|  |     |              | 1,865,250    |
| <b>Food &amp; Staples Retailing — 0.1%</b>                       |     |              |              |
| BI-LO LLC, 9.25%, 2/15/19 (a)                                    |     | 775          | 806,000      |
| <b>Food Products — 0.5%</b>                                      |     |              |              |
| Blue Merger Sub Inc., 7.63%, 2/15/19 (a)                         |     | 2,450        | 2,474,500    |
| Smithfield Foods, Inc., 10.00%, 7/15/14                          |     | 684          | 807,120      |
|  |     |              | 3,281,620    |
| <b>Gas Utilities — 0.4%</b>                                      |     |              |              |
| Florida Gas Transmission Co. LLC, 4.00%, 7/15/15 (a)(d)          |     | 2,000        | 2,049,066    |
| Targa Resources Partners LP, 6.88%, 2/01/21 (a)                  |     | 690          | 683,100      |
|  |     |              | 2,732,166    |
| <b>Health Care Equipment &amp; Supplies — 0.5%</b>               |     |              |              |
| DJO Finance LLC, 10.88%, 11/15/14 (d)                            |     | 2,780        | 3,047,575    |
| <b>Health Care Providers &amp; Services — 1.6%</b>               |     |              |              |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a)                |     | 645          | 672,413      |
| HCA, Inc., 7.25%, 9/15/20  |     | 1,115        | 1,202,806    |
| Tenet Healthcare Corp.:  |     |              |              |
| 9.00%, 5/01/15   |     | 812          | 893,200      |
| 10.00%, 5/01/18 (d)  |     | 6,682        | 7,851,350    |
|  |     |              | 10,619,769   |
|  |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>   |     | <b>(000)</b> | <b>Value</b> |
| <b>Health Care Technology — 0.8%</b>                             |     |              |              |
| IMS Health, Inc., 12.50%, 3/01/18 (a)                            | USD | 4,300        | \$ 5,041,750 |
| <b>Hotels, Restaurants &amp; Leisure — 2.1%</b>                  |     |              |              |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (a)                      |     | 790          | 823,575      |
| Enterprise Inns Plc, 6.50%, 12/06/18                             | GBP | 2,232        | 3,292,811    |
| MGM Resorts International, 10.38%, 5/15/14                       | USD | 1,135        | 1,271,200    |
| Punch Tavens Finance B Ltd., 4.77%, 6/30/33                      | GBP | 1,368        | 1,868,032    |



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Spirit Issuer Plc:

|   |         |            |
|---|---------|------------|
| 0.98%, 12/28/11                         | 3,325   | 3,918,769  |
| 1.84%, 12/28/11 (b)                     | 1,800   | 2,399,278  |
| Tropicana Entertainment LLC, Series WI, |         |            |
| 9.63%, 12/15/14 (c)(h)                  | USD 375 | 38         |
|   |         | 13,573,703 |

### Household Durables — 1.6%

Beazer Homes USA, Inc.:

|  |       |            |
|--|-------|------------|
| 12.00%, 10/15/17 (d)                             | 3,800 | 4,417,500  |
| 9.13%, 6/15/18                                   | 375   | 387,188    |
| Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (c)(h) | 200   | —          |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | 2,500 | 2,709,375  |
| Standard Pacific Corp. (a):                      |       |            |
| 8.38%, 5/15/18                                   | 1,125 | 1,192,500  |
| 8.38%, 1/15/21                                   | 1,830 | 1,930,650  |
|  |       | 10,637,213 |

### IT Services — 0.9%

First Data Corp. (a):

|   |       |           |
|---|-------|-----------|
| 8.25%, 1/15/21                                | 2,300 | 2,288,500 |
| 12.63%, 1/15/21                               | 923   | 966,842   |
| iPayment, Inc., 9.75%, 5/15/14                | 950   | 941,688   |
| iPayment Investors LP, 12.75%, 7/15/14 (a)(i) | 1,513 | 1,407,203 |
|   |       | 5,604,233 |

### Independent Power Producers & Energy Traders — 2.8%

Calpine Construction Finance Co. LP,

|  |       |            |
|--|-------|------------|
| 8.00%, 6/01/16 (a)(d)                                | 5,225 | 5,669,125  |
| Calpine Corp., 7.50%, 2/15/21 (a)                    | 1,360 | 1,390,600  |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (a)(d) | 3,870 | 4,030,032  |
| Energy Future Intermediate Holding Co. LLC,          |       |            |
| 10.00%, 12/01/20                                     | 2,720 | 2,839,277  |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)(d)              | 3,750 | 3,904,688  |
|  |       | 17,833,722 |

### Industrial Conglomerates — 1.5%

Sequa Corp. (a):

|                      |       |           |
|----------------------|-------|-----------|
| 11.75%, 12/01/15     | 2,950 | 3,200,750 |
| 13.50%, 12/01/15 (i) | 5,870 | 6,501,024 |
|                      |       | 9,701,774 |

### Insurance — 0.5%

CNO Financial Group, Inc., 9.00%, 1/15/18 (a)

|  |       |           |
|--|-------|-----------|
|  | 2,878 | 3,065,070 |
|--|-------|-----------|

### Machinery — 0.7%

|                                     |       |           |
|-------------------------------------|-------|-----------|
| AGY Holding Corp., 11.00%, 11/15/14 | 1,500 | 1,335,000 |
|-------------------------------------|-------|-----------|

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|  |       |           |
|--|-------|-----------|
| Navistar International Corp., 8.25%, 11/01/21 (d)                  | 1,750 | 1,938,125 |
| Synventive Molding Solutions, Sub-Series A,<br>14.00%, 7/14/11 (i) | 853   | 4,266     |
| Titan International, Inc., 7.88%, 10/01/17 (a)                     | 1,330 | 1,423,100 |
|  |       | 4,700,491 |
| <b>Media — 5.2%</b>  |       |           |
| CCH II LLC, 13.50%, 11/30/16                                       | 2,306 | 2,793,189 |
| CCO Holdings LLC, 7.88%, 4/30/18 (a)                               | 2,925 | 3,122,438 |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (a)(b)                       | 194   | 136,754   |
| Cengage Learning Acquisitions, Inc.,<br>10.50%, 1/15/15 (a)        | 2,200 | 2,282,500 |
| Checkout Holding Corp., 11/15/15 (a)(f)                            | 2,050 | 1,322,250 |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17         | 933   | 1,035,630 |
| Series B, 9.25%, 12/15/17 (d)                                      | 4,732 | 5,264,350 |
| DISH DBS Corp.:<br>7.00%, 10/01/13 (d)                             | 1,450 | 1,558,750 |
| 7.13%, 2/01/16   | 200   | 213,500   |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                     |     |              |              |
| <b>Media (concluded)</b>                                   |     |              |              |
| Interactive Data Corp., 10.25%, 8/01/18 (a)                | USD | 2,460        | \$ 2,755,200 |
| NAI Entertainment Holdings LLC,<br>8.25%, 12/15/17 (a)(d)  |     | 1,445        | 1,553,375    |
| Nielsen Finance LLC, 7.75%, 10/15/18 (a)                   |     | 1,400        | 1,513,750    |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(h)               |     | 3,454        | 34,541       |
| Rainbow National Services LLC (a)(d):<br>8.75%, 9/01/12    |     | 925          | 928,469      |
| 10.38%, 9/01/14  |     | 3,134        | 3,263,277    |
| UPC Germany GmbH, 8.13%, 12/01/17 (a)(d)                   |     | 4,500        | 4,826,250    |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 (d)       |     | 1,000        | 1,095,000    |
|  |     |              | 33,699,223   |
| <b>Metals &amp; Mining — 1.5%</b>                          |     |              |              |
| Arch Western Finance LLC, 6.75%, 7/01/13                   |     | 933          | 942,330      |
| FMG Resources August 2006 Pty Ltd.,<br>7.00%, 11/01/15 (a) |     | 2,965        | 3,076,188    |
| New World Resources NV, 7.88%, 5/01/18                     | EUR | 995          | 1,476,037    |
| Novelis, Inc., 8.75%, 12/15/20 (a)                         | USD | 4,125        | 4,547,812    |
|  |     |              | 10,042,367   |
| <b>Multiline Retail — 0.4%</b>                             |     |              |              |
| Dollar General Corp., 11.88%, 7/15/17 (d)(i)               |     | 2,458        | 2,842,062    |
| <b>Oil, Gas &amp; Consumable Fuels — 3.6%</b>              |     |              |              |
| BP Capital Markets Plc, 5.25%, 11/07/13 (d)                |     | 6,000        | 6,514,110    |
| Berry Petroleum Co., 8.25%, 11/01/16                       |     | 550          | 580,938      |
| Chesapeake Energy Corp.:<br>6.50%, 8/15/17                 |     | 1,315        | 1,410,337    |
| 7.25%, 12/15/18 (d)  |     | 1,185        | 1,306,462    |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a)              |     | 634          | 691,060      |
| Consol Energy, Inc., 8.25%, 4/01/20                        |     | 1,500        | 1,653,750    |
| Crosstex Energy LP, 8.88%, 2/15/18                         |     | 135          | 148,838      |
| Denbury Resources Inc.:<br>8.25%, 2/15/20 (d)              |     | 971          | 1,080,238    |
| 6.38%, 8/15/21   |     | 810          | 818,100      |
| El Paso Corp., 7.00%, 6/15/17 (d)                          |     | 2,265        | 2,530,501    |

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|   |       |            |
|---|-------|------------|
| Energy Transfer Equity LP, 7.50%, 10/15/20        | 335   | 363,056    |
| Linn Energy LLC (a):                              |       |            |
| 8.63%, 4/15/20                                    | 1,000 | 1,115,000  |
| 7.75%, 2/01/21                                    | 1,615 | 1,715,937  |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (a)      | 950   | 1,035,500  |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (a)         | 530   | 537,950    |
| Overseas Shipholding Group, Inc., 8.75%, 12/01/13 | 1,190 | 1,259,913  |
| Petrohawk Energy Corp., 7.25%, 8/15/18            | 690   | 714,150    |
|   |       | 23,475,840 |

**Paper & Forest Products — 0.6%**

|                                 |       |           |
|---------------------------------|-------|-----------|
| NewPage Corp., 11.38%, 12/31/14 | 3,950 | 3,940,125 |
|---------------------------------|-------|-----------|

**Pharmaceuticals — 0.2%**

|  |     |           |
|--|-----|-----------|
| Valeant Pharmaceuticals International (a): |     |           |
| 6.75%, 10/01/17                            | 450 | 465,750   |
| 7.00%, 10/01/20                            | 575 | 594,406   |
|  |     | 1,060,156 |

**Professional Services — 0.2%**

|                           |     |           |
|---------------------------|-----|-----------|
| FTI Consulting, Inc. (d): |     |           |
| 7.75%, 10/01/16           | 350 | 367,062   |
| 6.75%, 10/01/20 (a)       | 810 | 810,000   |
|                           |     | 1,177,062 |

**Real Estate Investment Trusts (REITs) — 0.1%**

|                                   |     |         |
|-----------------------------------|-----|---------|
| Omega Healthcare Investors, Inc., |     |         |
| 6.75%, 10/15/22 (a)               | 635 | 641,350 |

**Real Estate Management & Development — 1.3%**

|   |           |           |
|---|-----------|-----------|
| Realogy Corp. (a):                        |           |           |
| 11.50%, 4/15/17                           | 1,390     | 1,480,350 |
| 7.88%, 2/15/19                            | 3,245     | 3,257,169 |
| The Unique Pub Finance Co. Plc, Series M, |           |           |
| 7.40%, 3/28/24                            | GBP 2,750 | 3,498,187 |
|   |           | 8,235,706 |

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>                               |     |              |              |
| <b>Road &amp; Rail — 1.1%</b>                        |     |              |              |
| Asciano Finance Ltd., 3.13%, 9/23/15 (a)(d)          | USD | 3,400        | \$ 3,251,729 |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19           |     | 375          | 397,969      |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) |     | 530          | 553,850      |
| The Hertz Corp. (a):                                 |     |              |              |
| 7.50%, 10/15/18                                      |     | 635          | 672,306      |

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|  |       |             |
|--|-------|-------------|
| 6.75%, 4/15/19   | 1,030 | 1,050,600   |
| 7.38%, 1/15/21   | 1,160 | 1,212,200   |
|  |       | 7,138,654   |
| <b>Semiconductors &amp; Semiconductor Equipment — 0.5%</b> |       |             |
| National Semiconductor Corp., 6.15%, 6/15/12 (d)           | 3,000 | 3,166,464   |
| <b>Specialty Retail — 0.1%</b>                             |       |             |
| Sonic Automotive, Inc., Series B, 8.63%, 8/15/13           | 583   | 591,745     |
| <b>Tobacco — 0.5%</b>                                      |       |             |
| Reynolds American, Inc., 7.63%, 6/01/16 (d)                | 2,500 | 2,970,580   |
| <b>Transportation Infrastructure — 0.1%</b>                |       |             |
| Aguila 3 SA, 7.88%, 1/31/18 (a)                            | 498   | 516,675     |
| <b>Wireless Telecommunication Services — 1.3%</b>          |       |             |
| Clearwire Communications LLC, 12.00%, 12/01/15 (a)         | 210   | 228,900     |
| Cricket Communications, Inc.:                              |       |             |
| 10.00%, 7/15/15  | 110   | 121,275     |
| 7.75%, 5/15/16 (d)   | 2,250 | 2,379,375   |
| Digicel Group Ltd. (a):                                    |       |             |
| 8.88%, 1/15/15   | 720   | 748,800     |
| 9.13%, 1/15/15   | 2,267 | 2,361,081   |
| 8.25%, 9/01/17   | 1,335 | 1,395,075   |
| Nextel Communications, Inc., Series E,                     |       |             |
| 6.88%, 10/31/13  | 425   | 428,453     |
| Sprint Capital Corp., 8.38%, 3/15/12                       | 925   | 981,656     |
|  |       | 8,644,615   |
| <b>Total Corporate Bonds — 50.1%</b>                       |       | 324,997,623 |
| <b>Floating Rate Loan Interests (b)</b>                    |       |             |
| <b>Aerospace &amp; Defense — 0.5%</b>                      |       |             |
| Hawker Beechcraft Acquisition Co., LLC:                    |       |             |
| Letter of Credit Linked Deposit, 0.20%, 3/26/14            | 109   | 97,346      |
| Term Loan, 2.26% – 2.30%, 3/26/14                          | 1,817 | 1,624,059   |
| TransDigm, Inc., Term Loan (First Lien), 5.25%, 2/14/17    | 1,500 | 1,508,955   |
|  |       | 3,230,360   |
| <b>Auto Components — 0.6%</b>                              |       |             |
| Allison Transmission, Inc., Term Loan, 3.02%, 8/07/14      | 2,759 | 2,749,025   |
| Global Autocare, Term Loan B, 6.00%, 11/02/16              | 1,400 | 1,407,000   |
|  |       | 4,156,025   |
| <b>Automobiles — 0.4%</b>                                  |       |             |
| Ford Motor Co.:  |       |             |
| Tranche B-1 Term Loan, 3.02%, 12/15/13                     | 2,087 | 2,086,555   |
| Tranche B-2 Term Loan, 3.02%, 12/15/13                     | 425   | 424,099     |
|  |       | 2,510,654   |

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**Beverages — 0.0%**

|  |       |         |
|--|-------|---------|
| Le-Nature's, Inc., Tranche B Term Loan,<br>9.50%, 3/01/11 (c)(h) | 1,000 | 297,500 |
|--|-------|---------|

**Building Products — 1.5%**

|  |           |           |
|--|-----------|-----------|
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17   | 1,000     | 1,003,130 |
| Goodman Global, Inc.:  |           |           |
| Initial Term Loan (First Lien), 5.75%, 10/13/16  | 4,738     | 4,772,922 |
| Term Loan (Second Lien), 9.00%, 10/13/17   | 1,800     | 1,855,125 |
| Momentive Performance Materials (Blitz 06-103<br>GmbH), Tranche B-2B Term Loan, 4.36%, 5/05/15 | EUR 1,532 | 2,055,677 |
| United Subcontractors, Inc., Term Loan (First Lien),<br>1.80%, 6/30/15 (i)                     | USD 143   | 123,268   |
|  |           | 9,810,122 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |              |              |
| <b>Capital Markets — 0.8%</b>   |     |              |              |
| HarbourVest Partners, Term Loan (First Lien),<br>6.25%, 11/10/16  | USD | 2,716        | \$ 2,729,203 |
| Marsico Parent Co., LLC, Term Loan, 5.31%, 12/15/14   |     | 375          | 304,745      |
| Nuveen Investments, Inc.:   |     |              |              |
| Extended Term Loan (First Lien),<br>5.80% – 5.81%, 5/13/17  |     | 1,137        | 1,132,255    |
| Non Extended Term Loan (First Lien), 3.30%, 11/13/14  |     | 973          | 943,089      |
|   |     |              | 5,109,292    |
| <b>Chemicals — 3.1%</b>   |     |              |              |
| AZ Chem US, Inc., Term Loan B, 6.75%, 11/18/16  |     | 1,286        | 1,299,299    |
| Brenntag Holding GmbH & Co. KG:   |     |              |              |
| Facility 2 (Second Lien), 6.45%, 7/17/15  |     | 500          | 502,084      |
| Facility 3A (Second Lien), 7.19%, 3/21/16   | EUR | 115          | 160,691      |
| Facility 3B (Second Lien), 7.19%, 3/15/16   |     | 16           | 22,422       |
| Facility B6A and B6B, 4.72%, 11/24/37   |     | 181          | 250,679      |
| Term Loan B, 4.72%, 11/24/37  |     | 233          | 323,794      |
| CF Industries, Inc., Term Loan B-1, 4.25%, 4/05/15  | USD | 202          | 202,526      |
| Chemtura Corp., Term Facility, 5.50%, 8/16/16   |     | 1,300        | 1,310,292    |
| General Chemical Corp., Tranche B Term Loan,<br>6.75% – 7.25%, 9/30/15  |     | 1,995        | 2,024,925    |
| Ineos Group PLC, US Finance LLC, Senior Credit Facility   |     |              |              |
| Term Loan A2, 7.00%, 12/17/12   |     | 26           | 27,358       |
| MacDermid, Inc., Tranche C Term Loan,<br>3.07%, 4/12/14   | EUR | 494          | 659,684      |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 8/31/17  | USD | 1,300        | 1,303,792    |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term<br>Loan Facility (First Lien), 3.52% – 3.56%, 7/30/14 |     | 2,590        | 2,547,679    |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17  |     | 1,512        | 1,513,231    |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17  |     | 2,900        | 2,926,100    |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15   |     | 2,450        | 2,470,409    |
| Univar, Inc., Term Loan B, 5.00% 6/30/17  |     | 2,800        | 2,809,626    |
|   |     |              | 20,354,591   |
| <b>Commercial Banks — 0.3%</b>  |     |              |              |

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|  |              |              |
|--|--------------|--------------|
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15   | 1,900        | 1,924,145    |
| <b>Commercial Services &amp; Supplies — 1.9%</b>   |              |              |
| AWAS Finance Luxembourg Sarl, Loan,<br>7.75%, 6/10/16  | 1,222        | 1,254,841    |
| Altegrity, Inc., (FKA US Investigations Services, Inc.)<br>Tranche D Term Loan, 7.75%, 2/21/15 | 3,980        | 4,059,600    |
| Casella Waste Systems, Inc., Term Loan B,<br>7.00%, 4/09/14                                    | 625          | 625,475      |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16  | 1,454        | 1,466,307    |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16   | 1,368        | 1,361,855    |
| Synagro Technologies, Inc., Term Loan (First Lien),<br>2.27%, 4/02/14                          | 1,281        | 1,191,349    |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% – 10.75%, 8/24/16          | 2,594        | 2,618,346    |
|  |              | 12,577,773   |
| <b>Communications Equipment — 0.9%</b>   |              |              |
| Avaya, Inc., Term Loan B:<br>3.06% 10/24/14  | 1,876        | 1,818,164    |
| 4.81%, 10/24/17  | 2,706        | 2,651,094    |
| CommScope, Inc., Term Loan B, 5.00%, 1/06/18   | 1,250        | 1,268,229    |
|  |              | 5,737,487    |
| <b>Construction &amp; Engineering — 0.6%</b>   |              |              |
| Safway Services, LLC, First Out Tranche Loan,<br>9.00%, 12/18/17                               | 3,750        | 3,750,000    |
| <b>Construction Materials — 0.1%</b>   |              |              |
| Fairmount Minerals Ltd., Tranche B Term Loan,<br>6.25%, 8/05/16                                | 927          | 937,134      |
| <b>Consumer Finance — 1.1%</b>   |              |              |
| Springleaf Financial Funding Co. (FKA AGFS Funding<br>Co.), Term Loan, 7.25%, 4/21/15          | 6,750        | 6,810,075    |
| <b>Containers &amp; Packaging — 0.2%</b>   |              |              |
| Graham Packaging Co., LP, Term Loan D,<br>6.00%, 9/16/16                                       | 1,496        | 1,507,740    |
|  | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>  | <b>(000)</b> | <b>Value</b> |
| <b>Diversified Consumer Services — 1.8%</b>  |              |              |
| Coinmach Service Corp., Term Loan,<br>3.26% – 3.31%, 11/14/14                                  | USD 4,619    | \$ 4,330,357 |
| Laureate Education, Series A New Term Loan,  |              |              |



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|  |       |            |
|--|-------|------------|
| 7.00%, 8/15/14                                 | 4,622 | 4,649,356  |
| ServiceMaster Co.:                             |       |            |
| Closing Date Term Loan, 2.76% – 2.81%, 7/24/14 | 2,525 | 2,485,594  |
| Delayed Draw Term Loan, 2.77%, 7/24/14         | 251   | 247,528    |
|  |       | 11,712,835 |

### **Diversified Financial Services — 0.4%**

|   |       |           |
|---|-------|-----------|
| Professional Service Industries, Inc., Term Loan<br>(First Lien), 3.02%, 10/31/12 | 423   | 359,576   |
| Reynolds Group Holdings, Inc., Term Loan E,<br>4.25%, 2/09/18                     | 2,000 | 2,010,416 |
|   |       | 2,369,992 |

### **Diversified Telecommunication Services — 0.5%**

|   |       |           |
|---|-------|-----------|
| Hawaiian Telcom Communications, Inc., Term Loan,<br>9.00%, 10/28/15         | 2,167 | 2,203,847 |
| Level 3 Financing, Inc., Incremental Tranche A Term Loan,<br>2.55%, 3/13/14 | 1,150 | 1,121,250 |
|   |       | 3,325,097 |

### **Electric Utilities — 0.6%**

|   |       |           |
|---|-------|-----------|
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17          | 3,453 | 3,486,602 |
| TPF Generation Holdings, LLC:                                       |       |           |
| Synthetic Letter of Credit Deposit (First Lien),<br>0.20%, 12/15/13 | 151   | 150,260   |
| Synthetic Revolving Deposit, 0.20%, 12/15/11                        | 47    | 47,104    |
| Term Loan (First Lien), 2.30%, 12/15/13                             | 344   | 343,225   |
|   |       | 4,027,191 |

### **Electronic Equipment, Instruments & Components — 1.2%**

|   |       |           |
|---|-------|-----------|
| CDW LLC (FKA CDW Corp.):  |       |           |
| Extended Term Loan B, 3.51%, 7/15/17                                    | 2,194 | 2,193,866 |
| Non Extended Term Loan, 4.26%, 10/10/14                                 | 3,270 | 3,262,734 |
| Flextronics International Ltd., Closing Date Loan A,<br>2.51%, 10/01/14 | 1,178 | 1,171,693 |
| Matinvest 2 SAS/Butterfly Wendel US, Inc.<br>(Deutsche Connector):      |       |           |
| Facility B-2, 3.46%, 6/22/14  | 445   | 429,185   |
| Facility B-2, 3.46%, 6/22/14  | 33    | 32,028    |
| Facility C-2, 4.21%, 6/22/15  | 719   | 694,155   |
| Facility C-2, 4.21%, 6/22/15  | 110   | 106,040   |
|   |       | 7,889,701 |

### **Energy Equipment & Services — 0.4%**

|  |  |  |
|--|--|--|
| MEG Energy Corp., Tranche D Term Loan, |  |  |
|--|--|--|

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|   |       |            |
|---|-------|------------|
| 6.00%, 4/03/16  | 2,373 | 2,395,100  |
| <b>Food &amp; Staples Retailing — 0.7%</b>              |       |            |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan,  |       |            |
| 5.25%, 6/30/16  | 3,004 | 3,029,758  |
| U.S. Foodservice, Inc., Term Loan B, 2.76%, 7/03/14     | 1,869 | 1,804,006  |
|   |       | 4,833,764  |
| <b>Food Products — 1.6%</b>                             |       |            |
| Advance Pierre Foods, Term Loan (Second Lien):          |       |            |
| 7.00%, 9/29/16  | 4,090 | 4,117,867  |
| 11.25%, 9/29/17   | 1,300 | 1,332,500  |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18            | 3,000 | 3,018,750  |
| Pinnacle Foods Finance LLC, Tranche D Term Loan,        |       |            |
| 6.00%, 4/02/14  | 1,198 | 1,207,747  |
| Solvest, Ltd. (Dole):                                   |       |            |
| Tranche B-1 Term Loan, 5.00% – 5.50%, 3/02/17           | 127   | 127,536    |
| Tranche C-1 Term Loan, 5.00% – 5.50%, 3/02/17           | 310   | 311,990    |
|   |       | 10,116,390 |
| <b>Health Care Providers &amp; Services — 3.3%</b>      |       |            |
| Ardent Health Services, Inc., Term Loan, 6.50%, 9/15/15 | 1     | 1,326      |
| CHS/Community Health Systems, Inc.:                     |       |            |
| Delayed Draw Term Loan, 2.51% – 2.56%, 7/25/14          | 166   | 164,347    |
| Extended Term Loan, 3.76% – 3.81%, 1/25/17              | 1,161 | 1,163,197  |
| Non Extended Term Loan, 2.51% – 2.56%, 7/25/14          | 3,219 | 3,192,821  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |              |              |
| <b>Health Care Providers &amp; Services (concluded)</b>   |     |              |              |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/20/16   | USD | 1,300        | \$ 1,305,958 |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16  |     | 2,000        | 2,014,272    |
| HCA, Inc.:  |     |              |              |
| Tranche A-1 Term Loan, 1.55%, 11/16/12  |     | 2,361        | 2,348,199    |
| Tranche B-1 Term Loan, 2.55%, 11/18/13  |     | 340          | 338,867      |
| Harden Healthcare, Inc.:  |     |              |              |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  |     | 3,990        | 3,910,200    |
| Tranche A Term Loan, 8.50%, 2/22/15   |     | 630          | 617,556      |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.),<br>Term Loan B, 6.50%, 7/31/16                          |     | 3,279        | 3,293,732    |
| Renal Advantage Holdings, Inc., Tranche B Term Loan,<br>5.75%, 12/03/16                                   |     | 1,400        | 1,419,250    |
| Vanguard Health Holding Co. II, LLC (Vanguard Health<br>Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 |     | 1,423        | 1,432,608    |
|   |     |              | 21,202,333   |
| <b>Health Care Technology — 0.7%</b>  |     |              |              |
| IMS Health, Inc., Tranche B Dollar Term Loan,<br>5.25%, 2/26/16   |     | 2,606        | 2,627,434    |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16   |     | 1,700        | 1,712,750    |
|   |     |              | 4,340,184    |
| <b>Hotels, Restaurants &amp; Leisure — 5.3%</b>   |     |              |              |
| BLB Management Services, Inc. (Wembly, Inc.) Loan (Exit),<br>8.50%, 11/05/15                              |     | 1,508        | 1,516,942    |
| Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14   |     | 3,713        | 3,786,750    |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/09/17  |     | 2,600        | 2,617,859    |
| Harrah's Operating Co., Inc.:   |     |              |              |
| Term Loan B-1, 3.30%, 1/28/15   |     | 449          | 416,434      |
| Term Loan B-2, 3.30%, 1/28/15   |     | 750          | 694,822      |
| Term Loan B-3, 3.30%, 1/28/15   |     | 8,615        | 7,999,053    |
| Term Loan B-4, 9.50%, 10/31/16  |     | 963          | 1,019,982    |
| OSI Restaurant Partners, LLC, Pre-Funded RC Loan,<br>0.12% – 2.56%, 6/14/13                               |     | 32           | 31,624       |
| Seaworld Parks & Entertainment, Inc. (FKA SW  |     |              |              |

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|   |       |            |
|---|-------|------------|
| Acquisitions Co., Inc.), Term B Loan, 4.00%, 8/17/17                              | 3,788 | 3,796,465  |
| Six Flags Theme Parks, Inc., Tranche B Term Loan<br>(First Lien), 5.50%, 6/30/16  | 4,838 | 4,892,086  |
| Travelport LLC (FKA Travelport, Inc.), Loan,<br>8.31%, 3/27/12 (i)                | 4,827 | 4,308,235  |
| VML US Finance LLC (FKA Venetian Macau):<br>New Project Term Loan, 4.79%, 5/27/13 | 1,580 | 1,579,581  |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12                                  | 1,134 | 1,135,123  |
| Term B Funded Project Loan, 4.79%, 5/27/13  | 383   | 383,320    |
|   |       | 34,178,276 |

### Household Durables — 0.5%

|   |       |           |
|---|-------|-----------|
| Berkline/Benchcraft, LLC, Term Loan,<br>14.00%, 11/03/11 (c)(h) | 135   | 6,728     |
| Visant Corp. (FKA Jostens):<br>5.25%, 12/22/11                  | 1,600 | 1,600,000 |
| Tranche B Term Loan, 7.00%, 12/20/16                            | 1,397 | 1,408,999 |
|   |       | 3,015,727 |

### IT Services — 2.1%

|  |     |            |
|--|-----|------------|
| Amadeus IT Group SA/Amadeus Verwaltungs GmbH<br>(WAM Acquisition): |     |            |
| Term B-3 Facility, 4.42%, 6/30/13                                  | EUR | 307        |
| Term B-4 Facility, 4.42%, 6/30/13                                  |     | 119        |
| Term C-3 Facility, 4.92%, 6/30/14                                  |     | 307        |
| Term C-4 Facility, 4.92%, 6/30/14                                  |     | 118        |
| Ceridian Corp., US Term Loan, 3.26%, 11/09/14                      | USD | 1,628      |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16                         |     | 332        |
| First Data Corp.:  |     |            |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14                      |     | 3,597      |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14                      |     | 1,265      |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14                      |     | 1,202      |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/03/18              |     | 3,272      |
| Travelex Plc:  |     |            |
| Tranche B5, 2.95%, 10/31/13  |     | 712        |
| Tranche C5, 3.45%, 10/31/14  |     | 712        |
|  |     | 13,560,648 |

**Par**  
**(000) Value**

**Floating Rate Loan Interests (b)**

### Independent Power Producers & Energy Traders — 0.4%

|   |  |  |
|---|--|--|
| Texas Competitive Electric Holdings Co., LLC (TXU):<br>Initial Tranche B-2 Term Loan, |  |  |
|---|--|--|

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|   |     |       |            |
|---|-----|-------|------------|
| 3.76% – 3.80%, 10/10/14                                 | USD | 266   | \$ 224,170 |
| Initial Tranche B-3 Term Loan,                          |     |       |            |
| 3.76% – 3.80%, 10/10/14                                 |     | 2,691 | 2,262,372  |
|   |     |       | 2,486,542  |
| <b>Industrial Conglomerates — 0.6%</b>                  |     |       |            |
| Sequa Corp., Term Loan, 3.56%, 12/03/14                 |     | 1,824 | 1,804,706  |
| Tomkins Plc, Term Loan A, 4.25%, 9/16/16                |     | 2,368 | 2,387,500  |
|   |     |       | 4,192,206  |
| <b>Media — 7.6%</b>                                     |     |       |            |
| Acosta, Inc., Term Loan, 4.75%, 2/03/18                 |     | 1,500 | 1,511,250  |
| Affinion Group, Inc., Tranche B Term Loan,              |     |       |            |
| 5.00%, 10/09/16   |     | 1,489 | 1,496,194  |
| Cengage Learning Acquisitions, Inc. (Thomson Learning): |     |       |            |
| Term Loan, 2.55%, 7/03/14                               |     | 1,995 | 1,919,540  |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14         |     | 2,057 | 2,066,562  |
| Charter Communications Operating, LLC:                  |     |       |            |
| Term Loan B, 7.25%, 3/06/14                             |     | 936   | 943,609    |
| Term Loan C, 3.56%, 9/06/16                             |     | 3,074 | 3,081,626  |
| FoxCo Acquisition Sub, LLC, Term Loan B, 7.50%, 7/14/15 |     | 1,830 | 1,826,663  |
| Getty Images, Inc., Initial Term Loan, 5.25%, 10/29/16  |     | 2,993 | 3,028,973  |
| HIT Entertainment, Inc., Term Loan (Second Lien),       |     |       |            |
| 5.82%, 2/26/13  |     | 400   | 354,000    |
| HMH Publishing Co., Ltd., Tranche A Term Loan,          |     |       |            |
| 6.01%, 6/12/14  |     | 3,241 | 3,077,189  |
| Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson    |     |       |            |
| Holdings, Ltd.), Tranche B Term Loan, 5.25%, 3/07/18    |     | 5,500 | 5,536,954  |
| Interactive Data Corp., Term Loan, 4.75%, 2/08/18       |     | 2,400 | 2,419,714  |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):        |     |       |            |
| Facility B1, 3.68%, 6/30/15                             | EUR | 304   | 385,163    |
| Facility C1, 3.93%, 6/30/16                             |     | 304   | 385,163    |
| Facility D, 5.05%, 12/28/16                             |     | 904   | 1,109,023  |
| MCNA Cable Holdings LLC (OneLink Communications),       |     |       |            |
| Loan, 6.97%, 3/01/13 (i)                                | USD | 1,795 | 1,669,418  |
| Mediacom Illinois, LLC (FKA Mediacom                    |     |       |            |
| Communications, LLC), Tranche D Term Loan,              |     |       |            |
| 5.50%, 3/31/17  |     | 988   | 993,672    |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13     |     | 4,505 | 4,789,378  |
| Springer Science+Business Media SA, Facility A1,        |     |       |            |
| 6.75%, 7/01/16  | EUR | 1,300 | 1,811,884  |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment),      |     |       |            |
| Term Facility, 5.56%, 6/01/12                           | USD | 1,987 | 1,944,416  |

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Telecommunications Management, LLC:

|  |     |       |            |
|--|-----|-------|------------|
| Multi-Draw Term Loan, 3.26%, 6/30/13   |     | 229   | 205,955    |
| Term Loan, 3.26%, 6/30/13  |     | 907   | 816,525    |
| UPC Broadband Holding B.V., Term U,<br>4.88%, 12/31/17                           | EUR | 1,493 | 2,053,894  |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17 | USD | 2,383 | 2,317,435  |
| Virgin Media Investment Holdings Ltd., Facility B,<br>4.53%, 12/31/15            | GBP | 750   | 1,219,125  |
| Weather Channel, Term Loan B, 4.25%, 2/01/17                                     | USD | 1,500 | 1,513,875  |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3,<br>2.76%, 8/09/11            |     | 758   | 734,916    |
|  |     |       | 49,212,116 |

### **Metals & Mining — 0.5%**

|   |  |       |           |
|---|--|-------|-----------|
| Novelis Corp., Term Loan, 5.25%, 12/01/16 |  | 3,350 | 3,389,483 |
|---|--|-------|-----------|

### **Multi-Utilities — 0.1%**

FirstLight Power Resources, Inc. (FKA NE Energy, Inc.):

|  |  |     |         |
|--|--|-----|---------|
| Synthetic Letter of Credit, 0.16%, 11/01/13                                    |  | 8   | 7,963   |
| Term B Advance (First Lien), 2.81%, 11/01/13                                   |  | 400 | 397,316 |
| Mach Gen, LLC, Synthetic Letter of Credit Loan<br>(First Lien), 0.05%, 2/22/13 |  | 69  | 63,811  |
|  |  |     | 469,090 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>                |     |              |            |
| <b>Multiline Retail — 0.8%</b>                         |     |              |            |
| Hema Holding BV:                                       |     |              |            |
| Facility B, 2.91%, 7/06/15                             | EUR | 344          | \$ 471,145 |
| Facility C, 3.66%, 7/05/16                             |     | 344          | 471,145    |
| Facility D, 5.91%, 1/01/17                             |     | 2,600        | 3,525,101  |
| The Neiman Marcus Group, Inc., Tranche B-2 Term        |     |              |            |
| Loan, 4.30%, 4/06/16                                   | USD | 805          | 809,129    |
|  |     |              | 5,276,520  |
| <b>Oil, Gas &amp; Consumable Fuels — 1.1%</b>          |     |              |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 |     | 5,538        | 5,676,217  |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18      |     | 3,207        | 1,314,683  |
|  |     |              | 6,990,900  |
| <b>Paper &amp; Forest Products — 0.4%</b>              |     |              |            |
| Georgia-Pacific LLC, Term Loan B, 2.30%, 12/23/12      |     | 2,190        | 2,190,508  |
| Verso Paper Finance Holdings LLC, Loan,                |     |              |            |
| 6.55% – 7.30%, 2/01/13 (i)                             |     | 664          | 597,296    |
|  |     |              | 2,787,804  |
| <b>Personal Products — 0.4%</b>                        |     |              |            |
| NBTY, Inc., Term Loan B:                               |     |              |            |
| 6.25%, 9/20/17   |     | 1,400        | 1,414,291  |
| 4.75%, 10/01/17  |     | 1,295        | 1,295,000  |
|  |     |              | 2,709,291  |
| <b>Pharmaceuticals — 0.5%</b>                          |     |              |            |
| Axcan Intermediate Holdings, Inc., Term Loan,          |     |              |            |
| 5.50%, 2/03/17   |     | 1,000        | 1,002,500  |
| Warner Chilcott Corp.:                                 |     |              |            |
| Additional Term Loan, 6.25%, 4/30/15                   |     | 1,081        | 1,088,771  |
| Delayed Draw Term Loan B, 6.25%, 4/30/15               |     | 314          | 316,207    |
| Term Loan A, 6.00%, 10/30/14                           |     | 560          | 559,897    |
| Term Loan B-1, 6.25%, 4/30/15                          |     | 186          | 187,472    |
| Term Loan B-3, 6.50%, 2/20/16                          |     | 203          | 204,047    |
|  |     |              | 3,358,894  |
| <b>Professional Services — 0.5%</b>                    |     |              |            |
| Booz Allen Hamilton, Inc., Tranche B Term Loan,        |     |              |            |

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|   |       |           |
|---|-------|-----------|
| 4.00%, 8/01/17  | 1,425 | 1,438,538 |
| Fifth Third Processing Solutions, LLC, Term Loan B<br>(First Lien), 5.50%, 10/21/16 | 2,000 | 2,015,500 |
|   |       | 3,454,038 |

**Real Estate Investment Trusts (REITs) — 0.1%**

|   |     |         |
|---|-----|---------|
| iStar Financial, Inc., Term Loan (Second Lien),<br>1.76%, 6/28/11 | 575 | 567,094 |
|---|-----|---------|

**Real Estate Management & Development — 1.4%**

|   |       |           |
|---|-------|-----------|
| Pivotal Promontory, LLC, Term Loan (Second Lien),<br>12.00%, 8/31/11 (c)(h) | 750   | —         |
| Realogy Corp.:  |       |           |
| Term Loan B, 4.56%, 10/16/16  | 9,294 | 8,913,935 |
| Term Loan C, 4.51%, 10/16/16  | 386   | 370,180   |
|   |       | 9,284,115 |

**Semiconductors & Semiconductor Equipment — 0.2%**

|  |       |           |
|--|-------|-----------|
| Freescale Semiconductor, Inc., Term Loan B,<br>4.51%, 12/01/16 | 1,063 | 1,061,019 |
|--|-------|-----------|

**Software — 0.1%**

|   |     |         |
|---|-----|---------|
| Bankruptcy Management Solutions, Inc., Term Loan B,<br>7.50%, 8/20/14 | 719 | 330,906 |
|---|-----|---------|

**Specialty Retail — 1.4%**

|   |       |           |
|---|-------|-----------|
| Burlington Coat Factory Warehouse Corp., Term Loan B,<br>6.25%, 2/18/17 | 600   | 602,000   |
| Gymboree Corp., Term Loan B, 5.00%, 2/11/18                             | 750   | 752,250   |
| J. Crew Group, Inc., Term Loan B, 5.25%, 2/01/18                        | 1,500 | 1,500,000 |
| Michaels Stores, Inc.:  |       |           |
| Term Loan B, 4.25%, 2/28/18   | 280   | 282,217   |
| Term Loan B-1, 2.56%, 10/31/13  | 1,870 | 1,863,504 |
| Term Loan B-2, 4.81%, 7/31/16   | 463   | 466,641   |
| Petco Animal Supplies, Inc., Term Loan B<br>4.75%, 11/24/17             | 2,250 | 2,250,000 |

**Floating Rate Loan Interests (b)**

**Specialty Retail (concluded)**

|   |     |       |              |
|---|-----|-------|--------------|
| Toys 'R' Us Delaware, Inc., Initial Loan,<br>6.00%, 8/17/16 | USD | 1,637 | \$ 1,648,795 |
|   |     |       | 9,365,407    |

**Textiles, Apparel & Luxury Goods — 0.2%**

Philips Van Huesen Corp., US Tranche B Term Loan,



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|   |       |             |
|---|-------|-------------|
| 5.25%, 5/06/16  | 1,336 | 1,342,192   |
| <b>Trading Companies &amp; Distributors — 0.0%</b>  |       |             |
| Beacon Sales Acquisition, Inc., Term Loan B,<br>2.26% – 2.30%, 9/30/13                            | 122   | 119,481     |
| <b>Wireless Telecommunication Services — 1.4%</b>   |       |             |
| Digicel International Finance Ltd., US Term Loan<br>(Non-Rollover), 2.81%, 3/30/12                | 506   | 499,382     |
| Vodafone Americas Finance 2 Inc., Initial Loan,<br>6.88%, 7/30/15                                 | 8,024 | 8,304,640   |
|   |       | 8,804,022   |
| <b>Total Floating Rate Loan Interests — 48.8%</b>   |       | 316,881,256 |
| <b>Non-Agency Mortgage-Backed Securities</b>  |       |             |
| <b>Collateralized Mortgage Obligations — 5.4%</b>   |       |             |
| Adjustable Rate Mortgage Trust, Series 2007-1,<br>Class 3A21, 5.81%, 3/25/37 (b)                  | 3,275 | 3,057,331   |
| Citicorp Mortgage Securities, Inc., Series 2006-2,<br>Class 1A7, 5.75%, 4/25/36                   | 3,003 | 3,013,654   |
| Countrywide Alternative Loan Trust, Series 2005-54CB,<br>Class 3A4, 5.50%, 11/25/35               | 7,528 | 6,204,470   |
| Countrywide Home Loan Mortgage Pass-Through Trust:<br>Series 2005-17, Class 1A6, 5.50%, 9/25/35   | 3,197 | 3,148,059   |
| Series 2006-17, Class A2, 6.00%, 12/25/36   | 5,085 | 4,480,317   |
| Series 2007-16, Class A1, 6.50%, 10/25/37   | 2,508 | 2,327,813   |
| Series 2007-HY5, Class 3A1, 5.97%, 9/25/37 (b)  | 3,708 | 3,096,682   |
| GSR Mortgage Loan Trust, Series 2005-AR5,<br>Class 2A3, 2.96%, 10/25/35 (b)                       | 2,827 | 2,274,181   |
| Morgan Stanley Reremic Trust, Series 2010-R4,<br>Class 4A, 0.49%, 2/26/37 (a)(b)                  | 3,673 | 3,535,525   |
| WaMu Mortgage Pass-Through Certificates,<br>Series 2006-AR14, Class 1A1, 5.45%, 11/25/36 (b)      | 1,601 | 1,458,617   |
| Wells Fargo Mortgage-Backed Securities Trust,<br>Series 2005-AR2, Class 2A1, 2.74%, 3/25/35 (b)   | 2,583 | 2,371,827   |
|   |       | 34,968,476  |
| <b>Commercial Mortgage-Backed Securities — 7.8%</b>   |       |             |
| Banc of America Commercial Mortgage, Inc. (b):<br>Series 2007-3, Class A2, 5.66%, 6/10/49         | 2,975 | 3,087,402   |
| Series 2007-4, Class A4, 5.74%, 2/10/51   | 2,150 | 2,344,382   |
| Citigroup/Deutsche Bank Commercial Mortgage Trust,<br>Series 2007-CD4, Class A2B, 5.21%, 12/11/49 | 3,235 | 3,325,380   |
| Credit Suisse Mortgage Capital Certificates, Class A2 (b):<br>Series 2007-C2, 5.45%, 1/15/49      | 1,834 | 1,865,222   |

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|  |        |                   |
|--|--------|-------------------|
| Series 2007-C3, 5.72%, 6/15/39   | 3,907  | 4,006,288         |
| Extended Stay America Trust, Series 2010-ESHA,<br>Class C, 4.86%, 11/05/27 (a)                     | 2,320  | 2,406,768         |
| First Union Commercial Mortgage Securities, Inc.,<br>Series 1997-C2, Class G, 7.50%, 11/18/29 (b)  | 3,310  | 3,607,894         |
| Greenwich Capital Commercial Funding Corp.,<br>Series 2007-GG9, Class A4, 5.44%, 3/10/39           | 2,110  | 2,254,120         |
| JPMorgan Chase Commercial Mortgage Securities Corp.:<br>Series 2007-CB18, Class A4, 5.44%, 6/12/47 | 2,110  | 2,242,245         |
| Series 2007-CB19, Class A4, 5.74%, 2/12/49 (b)   | 2,140  | 2,304,910         |
| LB-UBS Commercial Mortgage Trust, Series 2007-C6,<br>Class A4, 5.86%, 7/15/40 (b)                  | 3,395  | 3,665,720         |
| Morgan Stanley Capital I, Series 2007-IQ15, Class A2,<br>6.04%, 6/11/49 (b)                        | 2,007  | 2,085,108         |
| Wachovia Bank Commercial Mortgage Trust,<br>Series 2007-C33 (b):                                   |        |                   |
| Class A2, 5.85%, 2/15/51   | 14,569 | 15,028,473        |
| Class A4, 5.90%, 2/15/51   | 2,030  | 2,192,778         |
|  |        | 50,416,690        |
| <b>Total Non-Agency Mortgage-Backed Securities — 13.2%</b>   |        | <b>85,385,166</b> |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

|   | <b>Beneficial<br/>Interest</b> |                  |
|---|--------------------------------|------------------|
|   | <b>(000)</b>                   | <b>Value</b>     |
| <b>Other Interests (j)</b>                                      |                                |                  |
| <b>Auto Components — 1.3%</b>                                   |                                |                  |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B            |                                |                  |
| Membership Interests  | —(k)                           | \$ 8,438,229     |
| Lear Corp. Escrow   | USD 1,000                      | 27,500           |
|   |                                | 8,465,729        |
| <b>Diversified Financial Services — 0.2%</b>                    |                                |                  |
| J.G. Wentworth LLC Preferred Equity Interests (l)               | 1                              | 1,308,236        |
| <b>Health Care Providers &amp; Services — 0.0%</b>              |                                |                  |
| Critical Care Systems International, Inc.                       | 8                              | 762              |
| <b>Household Durables — 0.0%</b>                                |                                |                  |
| Berkline Benchcraft Equity LLC                                  | 3                              | —                |
| <b>Total Other Interests — 1.5%</b>                             |                                | <b>9,774,727</b> |
| <b>Preferred Stocks</b>   |                                |                  |
| <b>Auto Components — 0.1%</b>                                   |                                |                  |
| Dana Holding Corp., 4.00% (a)(c)(e)                             | 6,000                          | 984,750          |
| <b>Media — 0.0%</b>   |                                |                  |
| CMP Susquehanna Radio Holdings Corp. (a)(c)(m)                  | 45,243                         | —                |
| <b>Total Preferred Stocks — 0.1%</b>                            |                                | <b>984,750</b>   |
| <b>Taxable Municipal Bonds</b>                                  |                                |                  |
| <b>State of California, GO:</b>                                 |                                |                  |
| 5.10%, 8/01/14  | USD 2,225                      | 2,287,523        |
| Various Purpose 3, 5.25%, 4/01/14                               | 1,075                          | 1,137,393        |
| Various Purpose 3, Mandatory Put Bonds,<br>5.65%, 4/01/39 (b)   | 625                            | 644,456          |
| State of Illinois, GO, 3.32%, 1/01/13                           | 5,075                          | 5,073,122        |
| <b>Total Taxable Municipal Bonds — 1.4%</b>                     |                                | <b>9,142,494</b> |
| <b>U.S. Government Sponsored</b>                                |                                |                  |
| <b>Agency Securities</b>  |                                |                  |
| <b>Interest Only Collateralized Mortgage Obligations — 0.5%</b> |                                |                  |
| Ginnie Mae Mortgage-Backed Securities:                          |                                |                  |
| Series 2008-7, Class SA, 3.14%, 2/20/38 (b)                     | 16,373                         | \$ 1,887,255     |
| Series 2010-162, Class WI, 4.50%, 6/16/39                       | 7,708                          | 1,235,290        |

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|   |     |                    |             |
|---|-----|--------------------|-------------|
|   |     |                    | 3,122,545   |
| <b>Mortgage-Backed Securities — 9.6%</b>  |     |                    |             |
| Fannie Mae Mortgage-Backed Securities:  |     |                    |             |
| 4.00%, 3/15/41 (n)  |     | 16,900             | 16,662,352  |
| 5.00%, 7/01/20 – 8/01/23 (d)  |     | 20,747             | 22,220,678  |
| Freddie Mac Mortgage-Backed Securities,   |     |                    |             |
| 4.50%, 4/01/25 (d)  |     | 22,118             | 23,306,689  |
|   |     |                    | 62,189,719  |
| <b>Total U.S. Government Sponsored</b>  |     |                    |             |
| <b>Agency Securities — 10.1%</b>  |     |                    |             |
|   |     |                    | 65,312,264  |
| <b>Warrants (o)</b>   |     |                    |             |
|   |     | <b>Shares</b>      |             |
| <b>Machinery — 0.0%</b>   |     |                    |             |
| Synventive Molding Solutions (Expires 1/15/13)  |     | 1                  | —           |
| <b>Media — 0.0%</b>   |     |                    |             |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19)   |     | 51,701             | —           |
| <b>Oil, Gas &amp; Consumable Fuels — 0.0%</b>   |     |                    |             |
| Turbo Cayman Ltd. (No expiration)   |     | 2                  | —           |
| <b>Warrants (o)</b>   |     |                    |             |
|   |     | <b>Par</b>         |             |
|   |     | <b>(000) Value</b> |             |
| <b>Software — 0.0%</b>  |     |                    |             |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)  | USD | 435                | \$ —        |
| HMH Holdings/EduMedia (Expires 3/09/17)   |     | 209,988            | —           |
|   |     |                    | —           |
| <b>Total Warrants — 0.0%</b>  |     |                    |             |
| <b>Total Long-Term Investments</b>  |     |                    |             |
| <b>(Cost — \$832,071,775) — 130.9%</b>  |     |                    | 849,880,382 |
| <b>Short-Term Securities</b>  |     |                    |             |
|   |     | <b>Shares</b>      |             |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.16% (p)(q)                                   |     | 402,771            | 402,771     |
| <b>Total Short-Term Securities</b>  |     |                    |             |
| <b>(Cost — \$402,771) — 0.1%</b>  |     |                    | 402,771     |
| <b>Options Purchased</b>  |     |                    |             |
|   |     | <b>Contracts</b>   |             |
| <b>Over-the-Counter Call Options — 0.0%</b>   |     |                    |             |
| Marsico Parent Superholdco LLC, Strike Price USD 942.86,<br>Expires 12/01/19, Broker Goldman Sachs Bank USA |     | 46                 | —           |
| <b>Total Options Purchased</b>  |     |                    |             |
| <b>(Cost — \$44,978) — 0.0%</b>   |     |                    | —           |

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|   |                      |
|---|----------------------|
| <b>Total Investments (Cost — \$832,519,524*) — 131.0%</b> | 850,283,153          |
| <b>Liabilities in Excess of Other Assets — (31.0)%</b>    | (201,439,871)        |
| <b>Net Assets — 100.0%</b>                                | <b>\$648,843,282</b> |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                      |
|-------------------------------|----------------------|
| Aggregate cost                | \$ 829,939,020       |
| Gross unrealized appreciation | \$ 37,323,531        |
| Gross unrealized depreciation | (16,979,398)         |
| Net unrealized appreciation   | <b>\$ 20,344,133</b> |

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

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

(c) Non-income producing security.

(d) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

(e) Convertible security.

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

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

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

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

(j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(k) Amount is less than \$1,000.

(l) The investment is held by a wholly owned taxable subsidiary of the Fund.

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

(n) Represents or includes a to-be-announced ("TBA") transaction. Unsettled TBA transactions as of report date were as follows:

| <b>Counterparty</b>           | <b>Value</b> | <b>Unrealized<br/>Appreciation</b> |
|-------------------------------|--------------|------------------------------------|
| Citigroup Global Markets Inc. | \$4,338,127  | \$ 2,752                           |
| Goldman Sachs & Co.           | \$6,408,597  | \$ 8,128                           |
| JP Morgan Securities, Inc.    | \$5,915,628  | \$ 5,628                           |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

### BlackRock Limited Duration Income Trust (BLW)

(o) 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, if any.

(p) Represents the current yield as of report date.

(q) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31, 2010 | Net<br>Activity | Shares Held at<br>February 28, 2011 | Income   |
|--|-----------------------------------|-----------------|-------------------------------------|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | —                                 | 402,771         | 402,771                             | \$ 7,285 |

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts    | Issue                         | Exchange                  | Expiration<br>Date | Notional<br>Value | Unrealized<br>Depreciation |
|--------------|-------------------------------|---------------------------|--------------------|-------------------|----------------------------|
| 17           | 5-Year U.S.<br>Treasury Note  | Chicago Board<br>of Trade | June 2011          | \$1,976,085       | \$(11,853)                 |
| 29           | 10-Year U.S.<br>Treasury Note | Chicago Board<br>of Trade | June 2011          | \$3,428,069       | \$ (24,290)                |
| <b>Total</b> |                               |                           |                    |                   | <b>\$ (36,143)</b>         |

• Credit default swaps on single-name issues — buy protection outstanding as of February 28, 2011 were as follows:

| Issuer                            | Pay<br>Fixed<br>Rate | Counterparty<br>Expiration | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|-----------------------------------|----------------------|----------------------------|-----------------------------|----------------------------|
| K. Hovnanian<br>Enterprises, Inc. | 5.00%                | Goldman Sachs<br>Bank USA  | USD 800                     | \$ (36,481)                |

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|                                |       |                                   |         |             |
|--------------------------------|-------|-----------------------------------|---------|-------------|
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs 9/20/13<br>Bank USA | USD 300 | \$ (46,762) |
| <b>Total</b>                   |       |                                   |         | \$ (83,243) |

\*Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency Purchased | Currency   | Currency Sold | Counterparty | Date                   | Settlement | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|--------------|------------------------|------------|--|
| USD                | 262,238    | EUR           | 190,000      | Citibank N.A.          | 3/1/2011   | \$ 46                                  |
| USD                | 12,806,032 | GBP           | 8,168,500    | Citibank N.A.          | 4/14/2011  | (467,556)                              |
| USD                | 7,199,874  | GBP           | 4,481,500    | Deutsche Bank AG       | 4/14/2011  | (82,441)                               |
| EUR                | 190,000    | USD           | 262,055      | Citibank N.A.          | 4/27/2011  | (53)                                   |
| EUR                | 750,000    | USD           | 1,018,991    | Deutsche Bank AG       | 4/27/2011  | 15,229                                 |
| USD                | 21,785,792 | EUR           | 15,929,000   | Citibank N.A.          | 4/27/2011  | (179,667)                              |
| USD                | 903,673    | EUR           | 660,000      | Royal Bank of Scotland | 4/27/2011  | (6,441)                                |
| <b>Total</b>       |            |               |              |                        |            | \$ (720,883)                           |

\*Reverse repurchase agreements outstanding as of February 28, 2011 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|------------------------------------|---------------|------------|---------------|--------------------|-------------|
| Credit Suisse Securities (USA) LLC | 0.60%         | 9/08/10    | Open          | \$ 6,607,559       | \$6,588,452 |
| Barclays Capital Inc.              | 0.40%         | 9/08/10    | Open          | 2,994,716          | 2,988,938   |
| Credit Suisse Securities (USA) LLC | 0.45%         | 9/20/10    | Open          | 4,101,470          | 4,092,750   |
| Barclays Capital Inc.              | 0.40%         | 9/23/10    | Open          | 3,235,706          | 3,230,000   |
| Credit Suisse Securities (USA) LLC | 0.60%         | 9/27/10    | Open          | 2,324,322          | 2,318,333   |
| UBS Securities LLC                 | 0.38%         | 10/15/10   | Open          | 2,873,148          | 2,869,000   |

\*Reverse repurchase agreements outstanding as of February 28, 2011 were as follows (continued):

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| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount  |
|------------------------------------|---------------|------------|---------------|--------------------|--------------|
| Deutsche Bank Securities Inc.      | 0.60%         | 10/18/10   | Open          | \$ 4,041,899       | \$ 4,032,893 |
| Credit Suisse Securities (USA) LLC | 0.50%         | 10/18/10   | Open          | 4,355,970          | 4,347,877    |
| Deutsche Bank Securities Inc.      | 0.60%         | 10/18/10   | Open          | 2,560,706          | 2,555,000    |
| Barclays Capital Inc.              | 0.40%         | 10/26/10   | Open          | 3,117,984          | 3,113,625    |
| Barclays Capital Inc.              | 0.40%         | 10/26/10   | Open          | 3,159,247          | 3,154,831    |
| Barclays Capital Inc.              | 0.40%         | 10/26/10   | Open          | 5,993,379          | 5,985,000    |
| Barclays Capital Inc.              | 0.40%         | 10/26/10   | Open          | 3,117,985          | 3,113,625    |
| Barclays Capital Inc.              | 0.40%         | 10/26/10   | Open          | 2,957,447          | 2,953,312    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 1,394,900          | 1,392,000    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 2,530,260          | 2,525,000    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 2,117,715          | 2,113,313    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 2,779,590          | 2,773,811    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 2,985,465          | 2,979,259    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 2,460,428          | 2,455,313    |
| Credit Suisse Securities (USA) LLC | 0.60%         | 10/27/10   | Open          | 1,572,269          | 1,569,000    |
| Barclays                           |               |            |               |                    |              |



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|                 |       |          |      |           |           |
|-----------------|-------|----------|------|-----------|-----------|
| Capital Inc.    | 0.40% | 11/1/10  | Open | 7,386,110 | 7,376,275 |
| Barclays        |       |          |      |           |           |
| Capital Inc.    | 0.40% | 11/1/10  | Open | 2,035,711 | 2,033,000 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.40% | 11/1/10  | Open | 5,267,013 | 5,260,000 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.60% | 11/1/10  | Open | 1,688,370 | 1,685,000 |
| Barclays        |       |          |      |           |           |
| Capital Inc.    | 0.40% | 11/3/10  | Open | 6,392,370 | 6,384,000 |
| Deutsche Bank   |       |          |      |           |           |
| Securities Inc. | 0.40% | 11/16/10 | Open | 2,469,878 | 2,467,000 |
| Deutsche Bank   |       |          |      |           |           |
| Securities Inc. | 0.55% | 11/16/10 | Open | 2,740,953 | 2,736,562 |
| Deutsche Bank   |       |          |      |           |           |
| Securities Inc. | 0.58% | 11/16/10 | Open | 2,324,758 | 2,320,832 |
| Deutsche Bank   |       |          |      |           |           |
| Securities Inc. | 0.58% | 11/19/11 | Open | 4,628,585 | 4,625,530 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.65% | 2/2/11   | Open | 3,217,193 | 3,215,625 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.65% | 2/2/11   | Open | 1,810,632 | 1,809,750 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.60% | 2/3/11   | Open | 1,612,699 | 1,612,000 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.45% | 2/3/11   | Open | 1,144,372 | 1,144,000 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.60% | 2/3/11   | Open | 1,349,584 | 1,349,000 |
| Credit Suisse   |       |          |      |           |           |
| Securities      |       |          |      |           |           |
| (USA) LLC       | 0.60% | 2/3/11   | Open | 936,406   | 936,000   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Limited Duration Income Trust (BLW)

•Reverse repurchase agreements outstanding as of February 28, 2011 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount   |
|------------------------------------|---------------|------------|---------------|--------------------|---------------|
| Credit Suisse Securities (USA) LLC | 0.60%         | 2/3/11     | Open          | \$ 1,087,471       | \$ 1,087,000  |
| Credit Suisse Securities (USA) LLC | 0.65%         | 2/4/11     | Open          | 6,676,012          | 6,673,000     |
| Credit Suisse Securities (USA) LLC | 0.50%         | 2/8/11     | Open          | 1,234,360          | 1,234,000     |
| Credit Suisse Securities (USA) LLC | 0.60%         | 2/9/11     | Open          | 820,273            | 820,000       |
| Credit Suisse Securities (USA) LLC | 0.60%         | 2/9/11     | Open          | 958,319            | 958,000       |
| BNP Paribas Securities             | 0.23%         | 2/10/11    | 3/10/11       | 22,248,700         | 22,246,000    |
| BNP Paribas Securities             | 0.23%         | 2/10/11    | 3/10/11       | 3,774,458          | 3,774,000     |
| BNP Paribas Securities             | 0.23%         | 2/10/11    | 3/10/11       | 17,478,121         | 17,476,000    |
| Deutsche Bank Securities Inc.      | 0.58%         | 2/2/11     | Open          | 2,766,712          | 2,766,400     |
| UBS Securities LLC                 | 0.38%         | 2/28/11    | Open          | 1,841,969          | 1,841,950     |
| <b>Total</b>                       |               |            |               | \$171,173,194      | \$170,982,256 |

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•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

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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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs    | Level 1   | Level 2       | Level 3       | Total         |
|---------------------|-----------|---------------|---------------|---------------|
| <b>Assets:</b>      |           |               |               |               |
| Investments in      |           |               |               |               |
| Securities:         |           |               |               |               |
| Long-Term           |           |               |               |               |
| Investments:        |           |               |               |               |
| Asset-Backed        |           |               |               |               |
| Securities          | —         | \$ 24,338,692 | \$ 10,873,790 | \$ 35,212,482 |
| Common Stocks       | \$283,391 | 65,011        | 1,841,218     | 2,189,620     |
| Corporate Bonds     | —         | 324,887,704   | 109,919       | 324,997,623   |
| Floating Rate       |           |               |               |               |
| Loan Interests      | —         | 266,331,056   | 50,550,200    | 316,881,256   |
| Non-Agency          |           |               |               |               |
| Mortgage-Backed     |           |               |               |               |
| Securities          | —         | 81,849,641    | 3,535,525     | 85,385,166    |
| Other Interests     | —         | 8,438,229     | 1,336,498     | 9,774,727     |
| Preferred Stocks    | —         | 984,750       | —             | 984,750       |
| Taxable Municipal   |           |               |               |               |
| Bonds               | —         | 9,142,494     | —             | 9,142,494     |
| U.S. Government     |           |               |               |               |
| Sponsored           |           |               |               |               |
| Agency Securities   | —         | 65,312,264    | —             | 65,312,264    |
| Unfunded Loan       |           |               |               |               |
| Commitments         | —         | 130,941       | —             | 130,941       |
| Short-Term          |           |               |               |               |
| Securites           | 402,771   | —             | —             | 402,771       |
| <b>Liabilities:</b> |           |               |               |               |

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Unfunded Loan

|              |                   |                      |                      |                      |
|--------------|-------------------|----------------------|----------------------|----------------------|
| Commitments  | —                 | —                    | (18,414)             | (18,414)             |
| <b>Total</b> | <b>\$ 686,162</b> | <b>\$781,480,782</b> | <b>\$ 68,228,736</b> | <b>\$850,395,680</b> |

**Derivative Financial Instruments<sup>1</sup>**

| Valuation Inputs                    | Level 1            | Level 2 | Level 3             | Total                     |
|-------------------------------------|--------------------|---------|---------------------|---------------------------|
| <b>Assets:</b>                      |                    |         |                     |                           |
| Foreign currency exchange contracts |                    | —       | \$ 15,275           | —<br>\$ 15,275            |
| Credit contracts                    |                    | —       | —                   |                           |
| Unfunded loan commitments           |                    | —       | —                   |                           |
| <b>Liabilities:</b>                 |                    |         |                     |                           |
| Foreign currency exchange contracts |                    | —       | (736,158)           | —<br>(736,158)            |
| Interest rate contracts             | \$ (36,143)        |         | —                   | —<br>(36,143)             |
| Credit contracts                    |                    | —       | (83,243)            | —<br>(83,243)             |
| <b>Total</b>                        | <b>\$ (36,143)</b> |         | <b>\$ (804,126)</b> | <b>—<br/>\$ (840,269)</b> |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options. Swaps, financial futures contracts and foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Limited Duration Income Trust (BLW)

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|  | Asset-Backed<br>Securities | Common<br>Stocks    | Corporate<br>Bonds | Floating Rate<br>Other<br>Loan Interests<br>Securities | Non-Agency<br>Mortgage-Backed<br>Interests | Preferred<br>Stocks | Total                 |
|--|----------------------------|---------------------|--------------------|--|--|---------------------|-----------------------|
| <b>Assets:</b>   |                            |                     |                    |  |  |                     |                       |
| Balance, as of August 31,<br>2010                                  | \$ 2,092,187               | \$ 1,247,224        | \$ 3,412,781       | \$62,160,894   | \$3,770,000                                | \$ 266,770          | \$ 74,806,435         |
| Accrued<br>discounts/premiums                                      | 101,933                    | —                   | 5,054              | 750,590  | 17,002                                     | —                   | 874,579               |
| Net realized gain (loss)   | —                          | (1,383,496)         | —                  | (1,828,131)  | 13,000                                     | 531,525             | (2,448,678)           |
| Net change in unrealized<br>appreciation/depreciation <sup>2</sup> | (1,325,168)                | 1,652,716           | (3,171,200)        | (2,601,746)  | (115,883)                                  | (54,160)            | (5,819,628)           |
| Purchases  | 10,004,838                 | 475,083             | —                  | 19,141,936   | —  | —                   | 29,621,857            |
| Sales  | —                          | (150,309)           | —                  | (28,896,523)   | (148,594)                                  | (744,135)           | (30,473,879)          |
| Transfers in <sup>3</sup>  | —                          | —                   | 38                 | 17,052,519   | —  | —                   | 17,052,557            |
| Transfers out <sup>3</sup>   | —                          | —                   | (136,754)          | (15,229,339)   | —  | —                   | (15,366,093)          |
| <b>Balance, as of February 28,<br/>2011</b>                        | <b>\$10,873,790</b>        | <b>\$ 1,841,218</b> | <b>\$ 109,919</b>  | <b>\$ 50,550,200</b>                                   | <b>\$3,535,525</b>                         | <b>\$1,336,498</b>  | <b>—\$ 68,247,150</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$(10,493,713).

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Unfunded<br>Loan<br>Commitments |
|---|---------------------------------|
| <b>Liabilities:</b>   |                                 |
| Balance, as of August 31, 2010                              | \$ (173,683)                    |
| Accrued discounts/premiums                                  | —                               |
| Realized gain (loss)  | —                               |
| Change in unrealized appreciation/depreciation <sup>4</sup> | 155,269                         |
| Purchases   | —                               |
| Sales   | —                               |
| Transfers in <sup>5</sup>                                   | —                               |

Transfers out<sup>5</sup>

—

**Balance, as of February 28, 2011**

\$ (18,414)

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$155,269.

<sup>5</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

|  | BlackRock<br>Defined<br>Opportunity<br>Credit Trust<br><br>(BHL) | BlackRock<br>Diversified<br>Income<br>Strategies<br>Fund, Inc.<br><br>(DVF) | BlackRock<br>Floating Rate<br>Income<br>Strategies<br>Fund, Inc.<br><br>(FRA) | BlackRock<br>Limited<br>Duration<br>Income<br>Trust<br><br>(BLW) |
|--|--|---|---|--|
| <b>February 28, 2011 (Unaudited)</b>                           |  |   |   |  |
| <b>Assets</b>  |  |   |   |  |
| Investments at value — unaffiliated <sup>1</sup>               | \$ 184,078,000   | \$ 194,063,218  | \$ 389,878,229  | 849,880,382  |
| Investments at value — affiliated <sup>2</sup>                 | 4,517,571  | 3,037,317   | 2,358,167   | 402,771  |
| Unrealized appreciation on foreign currency exchange contracts | 6,661  | —   | 7,285   | 15,275   |
| Unrealized appreciation on unfunded loan commitments           | 27,730   | 31,007  | 31,259  | 130,941  |
| Cash pledged as collateral for financial futures contracts     | —  | —   | —   | 105,000  |
| Cash   | —  | —   | —   | 2,311  |
| Foreign currency at value <sup>3</sup>                         | 41,112   | 1,221,537   | —   | 391,904  |
| Investments sold receivable                                    | 3,750,444  | 4,607,679   | 12,694,462  | 11,279,141   |
| Principal paydowns receivable                                  | 1,248,378  | 117,837   | 4,006,848   | 2,935,387  |
| Interest receivable  | 1,081,639  | 1,572,334   | 2,852,130   | 9,315,900  |
| Commitment fees receivable                                     | 1,472  | 1,099   | 1,459   | 4,108  |
| Dividends receivable — affiliated                              | —  | —   | —   | 124  |
| Swap premiums paid   | —  | —   | —   | 70,640   |
| Prepaid expenses   | 51,758   | 46,750  | 87,589  | 50,819   |
| Other assets   | 8,137  | 518,220   | 3,099   | 766,266  |
| <b>Total assets</b>  | <b>194,812,902</b>   | <b>205,216,998</b>  | <b>411,920,527</b>  | <b>875,350,969</b>   |
| <b>Liabilities</b>   |  |   |   |  |
| Reverse repurchase agreements                                  | —  | —   | —   | 170,982,256  |
| Loan payable   | 34,000,000   | 37,000,000  | 63,000,000  | —  |
| Unrealized depreciation on foreign currency exchange contracts | 176,575  | 188,636   | 333,453   | 736,158  |
| Unrealized depreciation on unfunded loan commitments           | 4,560  | 4,760   | 11,082  | 18,414   |
| Unrealized depreciation on swaps                               | —  | —   | —   | 83,243   |
| Bank overdraft   | —  | 1,563,305   | 518,350   | —  |
| Bank overdraft — foreign currency at value <sup>3</sup>        | —  | —   | 1,428,322   | —  |
| Investments purchased payable                                  | 31,062,291   | 29,736,136  | 64,656,436  | 53,449,559   |
| Investment advisory fees payable                               | 125,374  | 102,934   | 205,245   | 346,191  |
| Interest expense payable                                       | 94,250   | 78,476  | 149,669   | 190,939  |
| Deferred income  | 51,803   | 56,937  | 59,730  | 220,987  |
| Other affiliates payable                                       | 712  | 777   | 2,575   | 6,135  |

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|  |                       |                       |                       |                    |
|--|-----------------------|-----------------------|-----------------------|--------------------|
| Officer's and Directors' fees payable                            | 346                   | 366                   | 752                   | 168,309            |
| Swaps payable  | —                     | —                     | —                     | 10,847             |
| Income dividends payable   | —                     | —                     | —                     | 112,713            |
| Margin variation payable   | —                     | —                     | —                     | 6,359              |
| Payable to custodian   | —                     | —                     | 328,833               | —                  |
| Other accrued expenses payable                                   | 203,718               | 62,396                | 158,989               | 170,980            |
| Other liabilities  | 22,361                | 4,365                 | —                     | 4,597              |
| <b>Total liabilities</b>   | <b>65,741,990</b>     | <b>68,799,088</b>     | <b>130,853,436</b>    | <b>226,507,687</b> |
|  |                       |                       |                       | <b>\$</b>          |
| <b>Net Assets</b>  | <b>\$ 129,070,912</b> | <b>\$ 136,417,910</b> | <b>\$ 281,067,091</b> | <b>648,843,282</b> |
| <b>Net Assets Consist of</b>                                     |                       |                       |                       |                    |
|  |                       |                       |                       | <b>\$</b>          |
| Paid-in capital <sup>4,5,6</sup>                                 | \$ 127,885,559        | \$ 229,766,196        | \$ 350,585,154        | 701,662,114        |
| Undistributed (distributions in excess of) net investment income | 969,030               | (194,068)             | (620,755)             | 6,464,041          |
| Accumulated net realized loss                                    | (5,484,251)           | (87,984,988)          | (70,593,658)          | (76,902,528)       |
| Net unrealized appreciation/depreciation                         | 5,700,574             | (5,169,230)           | 1,696,350             | 17,619,655         |
|  |                       |                       |                       | <b>\$</b>          |
| <b>Net Assets</b>  | <b>\$ 129,070,912</b> | <b>\$ 136,417,910</b> | <b>\$ 281,067,091</b> | <b>648,843,282</b> |
| Net asset value  | \$ 14.32              | \$ 11.01              | \$ 15.24              | \$ 17.58           |
|  |                       |                       |                       | <b>\$</b>          |
| <sup>1</sup> Investments at cost — unaffiliated                  | \$ 178,235,192        | \$ 199,092,270        | \$ 387,878,515        | 832,116,753        |
| <sup>2</sup> Investments at cost — affiliated                    | \$ 4,517,571          | \$ 3,037,317          | \$ 2,358,167          | \$ 402,771         |
| <sup>3</sup> Foreign currency at cost                            | \$ 40,814             | \$ 1,205,143          | \$ (1,412,732)        | \$ 385,530         |
| <sup>4</sup> Par value per share                                 | \$ 0.001              | \$ 0.10               | \$ 0.10               | \$ 0.001           |
| <sup>5</sup> Shares outstanding                                  | \$ 9,013,961          | \$ 12,387,088         | \$ 18,437,560         | \$ 36,908,388      |
| <sup>6</sup> Shares authorized                                   | unlimited             | 200 million           | 200 million           | unlimited          |

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

| February 28, 2011 (Unaudited)  | BlackRock<br>Senior Floating<br>Rate Fund, Inc. | Blackrock<br>Senior<br>Floating<br>Rate Fund II,<br>Inc. |
|--|---|--|
| <b>Investment Income</b>   |   |  |
|  |   | \$   |
| Investments at value – Master Senior Floating Rate LLC (the “Master LLC” <sup>1</sup> )  | \$ 301,935,310                                  | 148,736,726  |
| Capital shares sold receivable   | 530,215   | 282,460  |
| Receivable from administrator  | —   | 62,045   |
| Prepaid expenses   | 174,475   | 98,455   |
| Total assets   | 302,640,000                                     | 149,179,686  |
| <b>Expenses</b>  |   |  |
| Income dividends payable   | 769,181   | 421,709  |
| Contributions payable to the Master LLC  | 530,215   | 282,460  |
| Administration fees payable  | 57,342  | —  |
| Officer’s fees payable   | 482   | 247  |
| Other accrued expenses payable   | 254,747   | 156,934  |
| Total liabilities  | 1,611,967                                       | 861,350  |
|  |   | \$   |
| <b>Net Assets</b>  | <b>\$ 301,028,033</b>                           | <b>148,318,336</b>                                       |
| <b>Net Assets Consists of</b>  |   |  |
|  |   | \$   |
| Paid-in capital <sup>2</sup>   | \$ 548,752,664                                  | 209,040,211  |
| Undistributed net investment income  | 1,952,228                                       | 558,664  |
| Accumulated net realized loss allocated from the Master LLC                              | (242,796,876)                                   | (58,653,833)   |
| Net unrealized appreciation/depreciation allocated from the Master LLC                   | (6,879,983)                                     | (2,626,706)  |
|  |   | \$   |
| <b>Net Assets</b>  | <b>\$ 301,028,033</b>                           | <b>148,318,336</b>                                       |
| Net asset value  | \$ 7.92   | \$ 8.58  |
|  |   | \$   |
| <sup>1</sup> Cost — investment in the Master LLC   | \$ 308,815,293                                  | 151,363,432  |
| <sup>2</sup> Shares outstanding, par value \$0.10 per share, 1 billion shares authorized | 38,013,230                                      | 17,294,494   |

See Notes to Financial Statements.

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## Statements of Operations

|   | BlackRock<br>Defined<br>Opportunity<br>Credit Trust<br>(BHL) | BlackRock<br>Diversified<br>Income<br>Strategies<br>Fund, Inc.<br>(DVF) | BlackRock<br>Floating Rate<br>Income<br>Strategies<br>Fund, Inc.<br>(FRA) | BlackRock<br>Limited<br>Duration<br>Income<br>Trust<br>(BLW) |
|---|--|---|---|--|
| <b>Six Months Ended February 28, 2011 (Unaudited)</b> |  |   |   |  |
| <b>Investment Income</b>                              |  |   |   |  |
|   |  |   |   | \$   |
| Interest  | \$ 4,825,670   | \$ 5,682,727  | \$ 10,229,988   | 26,158,277   |
| Facility and other fees                               | 109,002  | 85,099  | 185,427   | 391,493  |
| Dividends — affiliated                                | 2,102  | 2,262   | 2,884   | 14,532   |
| Total income  | 4,936,774  | 5,770,088   | 10,418,299  | 26,564,302   |
| <b>Expenses</b>                                       |  |   |   |  |
| Investment advisory                                   | 755,278  | 619,080   | 1,240,213   | 2,180,070  |
| Professional  | 96,302   | 94,522  | 91,885  | 109,229  |
| Borrowing costs <sup>1</sup>                          | 80,448   | 72,568  | 147,255   | —  |
| Custodian   | 27,464   | 27,409  | 47,330  | 67,075   |
| Printing  | 13,555   | 11,544  | 24,088  | 100,891  |
| Accounting services                                   | 13,547   | 13,257  | 26,609  | 49,901   |
| Transfer agent  | 12,689   | 13,762  | 20,873  | 12,514   |
| Officer and Directors                                 | 6,213  | 6,194   | 13,428  | 41,293   |
| Registration  | 4,356  | 4,264   | 4,350   | 5,951  |
| Miscellaneous   | 12,494   | 16,823  | 23,030  | 46,074   |
| Total expenses excluding interest expense             | 1,022,346  | 879,423   | 1,639,061   | 2,612,998  |
| Interest expense                                      | 162,983  | 206,389   | 376,864   | 363,549  |
| Total expenses  | 1,185,329  | 1,085,812   | 2,015,925   | 2,976,547  |
| Less fees waived by advisor                           | (819)  | (861)   | (1,260)   | (2,854)  |
| Less fees paid indirectly                             | —  | —   | —   | (444)  |
| Total expenses after fees waived and paid indirectly  | 1,184,510  | 1,084,951   | 2,014,665   | 2,973,249  |
| Net investment income                                 | 3,752,264  | 4,685,137   | 8,403,634   | 23,591,053   |
| <b>Realized and Unrealized Gain (Loss)</b>            |  |   |   |  |
| Net realized gain (loss) from:                        |  |   |   |  |
| Investments   | 2,261,100  | (3,227,303)   | 2,532,424   | 6,749,040  |
| Financial futures contracts                           | —  | —   | —   | (195,876)  |
| Swaps   | —  | (10,913)  | —   | (48,942)   |
| Foreign currency transactions                         | (707,728)  | (652,776)   | (1,245,237)   | (4,952,612)  |
|   | 1,553,372  | (3,890,992)   | 1,287,187   | 1,551,610  |

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Net change in unrealized appreciation/depreciation on:

|   |                      |                      |                      |                   |
|---|----------------------|----------------------|----------------------|-------------------|
| Investments   | 5,298,712            | 10,745,912           | 15,274,041           | 27,073,100        |
| Financial futures contracts                                 | —                    | —                    | —                    | 144,671           |
| Swaps   | —                    | 21,480               | —                    | (156,244)         |
| Foreign currency transactions                               | (172,808)            | (193,552)            | (278,018)            | 57,411            |
| Unfunded loan commitments                                   | 69,913               | 72,907               | 89,282               | 286,210           |
|   | 5,195,817            | 10,646,747           | 15,085,305           | 27,405,148        |
| Total realized and unrealized gain                          | 6,749,189            | 6,755,755            | 16,372,492           | 28,956,758        |
|   |                      |                      |                      | \$                |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 10,501,453</b> | <b>\$ 11,440,892</b> | <b>\$ 24,776,126</b> | <b>52,547,811</b> |

<sup>1</sup> See Note 9 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

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## Statements of Operations (concluded)

|  | BlackRock<br>Senior Floating<br>Rate Fund, Inc. | Blackrock<br>Senior<br>Floating<br>Rate Fund II,<br>Inc. |
|--|---|--|
| <b>Six Months Ended February 28, 2011 (Unaudited)</b>  |   |  |
| <b>Investment Income</b>   |   |  |
| Net investment income allocated from the Master LLC:   |   |  |
| Interest   | \$ 8,410,420                                    | \$ 4,255,403   |
| Dividends — affiliated   | 15,394  | 7,805  |
| Facility and other fees  | 218,354   | 110,746  |
| Expenses   | (1,524,819)                                     | (771,656)  |
| Total income   | 7,119,349                                       | 3,602,298  |
| <b>Expenses</b>  |   |  |
| Administration   | 367,055   | 297,221  |
| Reorganization   | 138,445   | 119,260  |
| Registration   | 121,100   | 68,215   |
| Transfer agent   | 103,535   | 30,032   |
| Printing   | 50,147  | 25,034   |
| Tender offer   | 40,220  | 20,018   |
| Professional<br>Officer  | 6,507   | 12,008   |
|  | 1,545   | 205  |
| Miscellaneous  | 5,183   | 4,407  |
| Total expenses   | 833,737   | 576,400  |
| Less fees waived by advisor  |   | — (107,313)  |
| Total expenses after fees waived   | 833,737   | 469,087  |
| Net investment income  | 6,285,612                                       | 3,133,211  |
| <b>Realized and Unrealized Gain (Loss) Allocated from the Master LLC</b>   |   |  |
| Net realized gain from investments and foreign currency transactions   | 2,202,323                                       | 1,100,731  |
| Net change in unrealized appreciation/depreciation on investments, foreign currency transactions and unfunded loan commitments | 10,413,168                                      | 5,255,603  |
| Total realized and unrealized gain   | 12,615,491                                      | 6,356,334  |
| <b>Net Increase in Net Assets Resulting from Operations</b>  | <b>\$ 18,901,103</b>                            | <b>\$ 9,489,545</b>                                      |

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|   | BlackRock Defined<br>Opportunity Credit Trust (BHL)     |                                  | BlackRock Diversified<br>Income Strategies Fund<br>(DVF)   |                                  |
|---|---|----------------------------------|--|----------------------------------|
|   | Six Months Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b>   |   |                                  |  |                                  |
| <b>Operations</b>   |   |                                  |  |                                  |
| Net investment income   | \$ 3,752,264  | \$ 7,661,944                     | \$ 4,685,137   | \$ 9,875,073                     |
| Net realized gain (loss)  | 1,553,372   | 1,285,459                        | (3,890,992)  | (15,451,009)                     |
| Net change in unrealized appreciation/depreciation                                | 5,195,817   | 6,522,220                        | 10,646,747   | 37,352,693                       |
| Net increase in net assets resulting from operations                              | 10,501,453  | 15,469,623                       | 11,440,892   | 31,776,757                       |
| <b>Dividends and Distributions to Shareholders From</b>                           |   |                                  |  |                                  |
| Net investment income   | (3,567,447)   | (6,270,058)                      | (4,712,574)  | (9,834,087)                      |
| Tax return of capital   |   | —                                | —  | (666,708)                        |
| Decrease in net assets resulting from dividends and distributions to shareholders | (3,567,447)   | (6,270,058)                      | (4,712,574)  | (10,500,795)                     |
| <b>Capital Share Transactions</b>   |   |                                  |  |                                  |
| Reinvestment of dividends   | 75,291  | —                                | 304,894  | 552,341                          |
| <b>Net Assets</b>   |   |                                  |  |                                  |
| Total increase in net assets  | 7,009,297   | 9,199,565                        | 7,033,212  | 21,828,303                       |
| Beginning of period   | 122,061,615   | 112,862,050                      | 129,384,698  | 107,556,395                      |
| End of period   | \$ 129,070,912  | 122,061,615                      | \$ 136,417,910   | 129,384,698                      |
| Undistributed (distributions in excess of) net investment income                  | \$ 969,030  | \$ 784,213                       | \$ (194,068)   | \$ (166,631)                     |

See Notes to Financial Statements.

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## Statements of Changes in Net Assets (continued)

| Increase (Decrease) in Net Assets:  | BlackRock Floating Rate            |               | BlackRock Limited  |               |
|---|------------------------------------|---------------|--------------------|---------------|
|   | Income Strategies Fund, Inc. (FRA) |               | Duration           |               |
|   | Six Months Ended                   |               | Income Trust (BLW) |               |
|   | Six Months Ended                   |               | Six Months Ended   |               |
|   | February 28,                       | Year Ended    | February 28,       | Year Ended    |
|   | 2011                               | August 31,    | 2011               | August 31,    |
|   | (Unaudited)                        | 2010          | (Unaudited)        | 2010          |
| <b>Operations</b>   |                                    |               |                    |               |
| Net investment income   | \$ 8,403,634                       | \$ 16,622,980 | \$ 23,591,053      | \$ 41,283,432 |
| Net realized gain (loss)  | 1,287,187                          | (14,156,705)  | 1,551,610          | (11,714,049)  |
| Net change in unrealized appreciation/depreciation                                | 15,085,305                         | 41,425,444    | 27,405,148         | 71,507,938    |
| Net increase in net assets resulting from operations                              | 24,776,126                         | 43,891,719    | 52,547,811         | 101,077,321   |
| <b>Dividends and Distributions to Shareholders From</b>                           |                                    |               |                    |               |
| Net investment income   | (8,511,552)                        | (17,335,715)  | (23,405,709)       | (33,200,685)  |
| Tax return of capital   |                                    | — (378,219)   |                    | — —           |
| Decrease in net assets resulting from dividends and distributions to shareholders | (8,511,552)                        | (17,713,934)  | (23,405,709)       | (33,200,685)  |
| <b>Capital Share Transactions</b>   |                                    |               |                    |               |
| Reinvestment of dividends   | 423,339                            | 1,041,829     | 320,010            | —             |
| <b>Net Assets</b>   |                                    |               |                    |               |
| Total increase in net assets  | 16,687,913                         | 27,219,614    | 29,462,112         | 67,876,636    |
| Beginning of period   | 264,379,178                        | 237,159,564   | 619,381,170        | 551,504,534   |
| End of period   | \$ 281,067,091                     | 264,379,178   | \$ 648,843,282     | 619,381,170   |
| Undistributed (distributions in excess of) net investment income                  | \$ (620,755)                       | \$ (512,837)  | \$ 6,464,041       | \$ 6,278,697  |

See Notes to Financial Statements.

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## Statements of Changes in Net Assets (concluded)

|  | BlackRock Senior<br>Floating Rate Fund, Inc. |                                  | BlackRock Senior<br>Floating Rate Fund II, Inc. |                                  |
|--|--|----------------------------------|---|----------------------------------|
|  | Six Months Ended                             |                                  | Six Months<br>Ended                             |                                  |
|  | February 28,<br>2011<br>(Unaudited)          | Year Ended<br>August 31,<br>2010 | February 28,<br>2011<br>(Unaudited)             | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b>                          |  |                                  |   |                                  |
| <b>Operations</b>  |  |                                  |   |                                  |
| Net investment income  | \$ 6,285,612                                 | \$ 14,656,941                    | \$ 3,133,211                                    | \$ 7,089,850                     |
| Net realized gain (loss)   | 2,202,323                                    | (17,149,880)                     | 1,100,731                                       | (7,524,615)                      |
| Net change in unrealized appreciation/depreciation                 | 10,413,168                                   | 35,131,654                       | 5,255,603                                       | 16,400,162                       |
| Net increase in net assets resulting from operations               | 18,901,103                                   | 32,638,715                       | 9,489,545                                       | 15,965,397                       |
| <b>Dividends to Shareholders From</b>                              |  |                                  |   |                                  |
| Net investment income  | (6,384,197)                                  | (14,620,743)                     | (3,183,862)                                     | (7,072,114)                      |
| <b>Capital Share Transactions</b>                                  |  |                                  |   |                                  |
| Net decrease in net assets derived from capital share transactions | (9,623,445)                                  | (31,545,795)                     | (8,470,211)                                     | (8,757,464)                      |
| <b>Net Assets</b>  |  |                                  |   |                                  |
| Total increase (decrease) in net assets                            | 2,893,461                                    | (13,527,823)                     | (2,164,528)                                     | 135,819                          |
| Beginning of period  | 298,134,572                                  | 311,662,395                      | 150,482,864                                     | 150,347,045                      |
| End of period  | \$ 301,028,033                               | \$ 298,134,572                   | \$ 148,318,336                                  | 150,482,864                      |
| Undistributed net investment income                                | \$ 1,952,228                                 | \$ 2,050,813                     | \$ 558,664                                      | \$ 609,315                       |

See Notes to Financial Statements.

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## Statements of Cash Flows

|   | BlackRock<br>Defined<br>Opportunity<br>Credit Trust<br>(BHL) | BlackRock<br>Diversified<br>Income<br>Strategies<br>Fund, Inc.<br>(DVF) | BlackRock<br>Floating Rate<br>Income<br>Strategies<br>Fund, Inc.<br>(FRA) | BlackRock<br>Limited<br>Duration<br>Income<br>Trust<br>(BLW) |
|---|--|---|---|--|
| <b>Six Months Ended February 28, 2010 (Unaudited)</b>   |  |   |   |  |
| <b>Cash Used for Operating Activities</b>   |  |   |   |  |
| Net increase in net assets resulting from operations  | \$ 10,501,453  | \$ 11,440,892   | \$ 24,776,126   | \$ 52,547,811  |
| Adjustments to reconcile net increase in net assets<br>resulting from operations to net cash used for operating activities: |  |   |   |  |
| (Increase) decrease in interest receivable  | 50,096   | (59,651)  | 178,794   | (756,676)  |
| Decrease in swap receivable   | —  | 1,840   | —   | 121,500  |
| Decrease in other assets  | 118,472  | 16,794  | 226,459   | 233,078  |
| Decrease in commitment fees receivable  | 720  | 1,735   | 2,995   | 6,677  |
| Decrease in margin variation receivable   | —  | —   | —   | 15,725   |
| Increase in reverse repurchase agreements receivable  | —  | —   | —   | 6,013,500  |
| Decrease in income receivable — affiliated  | —  | —   | —   | 464  |
| Increase in cash pledged as collateral for financial futures contracts  | —  | —   | —   | (35,000)   |
| Increase in investment advisory fees payable  | 1,713  | 2,079   | 4,249   | 2,235  |
| Increase in interest expense and fees payable   | 42,902   | 17,644  | 35,517  | 93,168   |
| Increase in other affiliates payable  | 246  | 285   | 1,593   | 3,893  |
| Increase in payable to custodian  | —  | —   | 328,833   | —  |
| Decrease in other liabilities   | (6,217)  | (4,547)   | (23,811)  | (19,724)   |
| Increase (decrease) in other accrued expenses payable   | (36,229)   | (15,945)  | 15,318  | (91,983)   |
| Increase in margin variation payable  | —  | —   | —   | 6,359  |
| Decrease in swaps payable   | —  | (1,000)   | —   | (153)  |
| Increase in Officer's and Directors' fees payable   | 57   | 22  | 53  | 11,176   |
| Net periodic and termination payments of swaps  | —  | (11,774)  | —   | —  |
| Net realized and unrealized loss on investments   | (7,406,910)  | (6,989,833)   | (17,618,201)  | (29,571,777)   |
| Amortization of premium and accretion of discount on investments  | (684,866)  | (773,367)   | (1,226,423)   | (1,754,452)  |
| Paid-in-kind income   | (37,484)   | (154,608)   | (263,090)   | (894,622)  |
| Proceeds from sales of long-term investments  | 82,862,942   | 90,082,876  | 181,853,083   | 441,606,615  |
| Purchases of long-term investments  | (88,456,030)   | (96,322,096)  | (190,784,862)   | (488,260,438)  |
| Net purchases of short-term securities  | (3,345,374)  | (1,215,178)   | (1,569,968)   | (402,771)  |
| Cash used for operating activities  | (6,394,509)  | (3,983,832)   | (4,063,335)   | (21,125,395)   |
| <b>Cash Provided by Financing Activities</b>  |  |   |   |  |
| Cash receipts from borrowings   | 83,419,485   | 62,000,000  | 124,000,000   | 195,041,434  |



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|   |              |              |               |               |
|---|--------------|--------------|---------------|---------------|
| Cash payments on borrowings                   | (73,419,485) | (54,000,000) | (114,000,000) | (147,292,332) |
| Cash dividends paid                           | (3,584,713)  | (4,407,680)  | (8,088,213)   | (23,079,020)  |
| Increase (decrease) in custodian bank payable | —            | 1,563,305    | 1,946,672     | (3,179,743)   |
| Cash provided by financing activities         | 6,415,287    | 5,155,625    | 3,858,459     | 21,490,339    |

### Cash Impact from Foreign Exchange Fluctuations

|  |     |        |          |        |
|--|-----|--------|----------|--------|
| Cash impact from foreign exchange fluctuations | 424 | 16,692 | (15,602) | 10,263 |
|--|-----|--------|----------|--------|

### Cash

|  |           |              |           |         |
|--|-----------|--------------|-----------|---------|
| Net increase (decrease) in cash                  | 21,202    | 1,188,485    | (220,478) | 375,207 |
| Cash and foreign currency at beginning of period | 19,910    | 33,052       | 220,478   | 19,008  |
| Cash and foreign currency at end of period       | \$ 41,112 | \$ 1,221,537 | —         | 394,215 |

### Cash Flow Information

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Cash paid during the period for interest | \$ 120,081 | \$ 188,745 | \$ 341,347 | \$ 270,381 |
|--|------------|------------|------------|------------|

### Noncash Financing Activities

|  |           |            |            |            |
|--|-----------|------------|------------|------------|
| Capital shares issued in reinvestment of dividends | \$ 75,291 | \$ 304,894 | \$ 423,339 | \$ 320,010 |
|--|-----------|------------|------------|------------|

A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

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## Financial Highlights BlackRock Defined Opportunity Credit Trust (BHL)

|  | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | 2009       | Period<br>January<br>31,<br>2008 <sup>1</sup><br>to August<br>31,<br>2008 |
|--|--|----------------------------------|------------|---|
| <b>Per Share Operating Performance</b>   |  |                                  |            |   |
| Net asset value, beginning of period   | \$ 13.55   | \$ 12.53                         | \$ 14.31   | \$ 14.33 <sup>2</sup>   |
| Net investment income <sup>3</sup>   | 0.42   | 0.85                             | 0.87       | 0.47  |
| Net realized and unrealized gain (loss)  | 0.75   | 0.87                             | (1.55)     | 0.21  |
| Net increase (decrease) from investment operations   | 1.17   | 1.72                             | (0.68)     | 0.68  |
| Dividends and distributions from:  |  |                                  |            |   |
| Net investment income  | (0.40)   | (0.70)                           | (1.09)     | (0.62)  |
| Tax return of capital  | —  | —                                | (0.01)     | (0.06)  |
| Total dividends and distributions  | (0.40)   | (0.70)                           | (1.10)     | 0.68)   |
| Capital charges with respect to issuance of shares   | —  | —                                | —          | (0.02)  |
| Net asset value, end of period   | \$ 14.32   | \$ 13.55                         | \$ 12.53   | \$ 14.31  |
| Market price, end of period  | \$ 14.69   | \$ 12.86                         | \$ 11.03   | \$ 12.66  |
| <b>Total Investment Return<sup>4</sup></b>   |  |                                  |            |   |
| Based on net asset value   | 8.77% <sup>5</sup>   | 14.39%                           | (2.16)%    | 4.79% <sup>5</sup>  |
| Based on market price  | 17.57% <sup>5</sup>  | 23.33%                           | (2.65)%    | (11.44)% <sup>5</sup>   |
| <b>Ratios to Average Net Assets</b>  |  |                                  |            |   |
| Total expenses   | 1.90% <sup>6</sup>   | 1.91%                            | 2.39%      | 1.78% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly   | 1.90% <sup>6</sup>   | 1.90%                            | 2.39%      | 1.78% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees | 1.63% <sup>6</sup>   | 1.65%                            | 1.94%      | 1.48% <sup>6</sup>  |
| Net investment income  | 6.00% <sup>6</sup>   | 6.40%                            | 8.11%      | 5.52% <sup>6</sup>  |
| <b>Supplemental Data</b>   |  |                                  |            |   |
| Net assets, end of period (000)  | \$ 129,071   | \$ 122,062                       | \$ 112,862 | \$ 127,695  |
| Borrowings outstanding, end of period (000)  | \$ 34,000  | \$ 24,000                        | \$ 27,000  | \$ 38,500   |
| Average borrowings outstanding during the period (000)                                       | \$ 26,259  | \$ 24,633                        | \$ 31,141  | \$ 13,788   |
| Portfolio turnover   | 51%  | 102%                             | 41%        | 18%   |
| Asset coverage, end of period per \$ 1,000   | \$ 4,796   | \$ 6,086                         | \$ 5,180   | \$ 4,317  |

<sup>1</sup> Commencement of operations

<sup>2</sup> Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from initial offering price of \$15.00 per share.

<sup>3</sup> Based on average shares outstanding.

<sup>4</sup> 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 include the reinvestment of dividends and distributions.

<sup>5</sup> Aggregate total investment return.

<sup>6</sup> Annualized.

See Notes to Financial Statements.

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## Financial Highlights BlackRock Diversified Income Strategies Fund, Inc. (DVF)

Six Months  
Ended  
February 28,

|   | 2011<br>(Unaudited) | 2010       | Year Ended August 31, |            |            |                     |
|---|---------------------|------------|-----------------------|------------|------------|---------------------|
|   |                     |            | 2009                  | 2008       | 2007       | 2006                |
| <b>Per Share Operating Performance</b>  |                     |            |                       |            |            |                     |
| Net asset value, beginning of period  | \$ 10.47            | \$ 8.74    | \$ 13.94              | \$ 17.50   | \$ 18.70   | \$ 18.38            |
| Net investment income <sup>1</sup>  | 0.38                | 0.80       | 1.06                  | 1.61       | 1.83       | 1.77                |
| Net realized and unrealized gain (loss)   | 0.54                | 1.78       | (4.88)                | (3.41)     | (1.23)     | 0.25                |
| Net increase (decrease) from investment operations                                  | 0.92                | 2.58       | (3.82)                | (1.80)     | 0.60       | 2.02                |
| Dividends and distributions from:   |                     |            |                       |            |            |                     |
| Net investment income   | (0.38)              | (0.80)     | (1.14)                | (1.72)     | (1.80)     | (1.70)              |
| Tax return of capital   | —                   | (0.05)     | (0.24)                | (0.04)     | —          | —                   |
| Total dividends and distributions   | (0.38)              | (0.85)     | (1.38)                | (1.76)     | (1.80)     | (1.70)              |
| Capital charges with respect to issuance of shares                                  | —                   | —          | —                     | —          | —          | (0.00) <sup>2</sup> |
| Net asset value, end of period  | \$ 11.01            | \$ 10.47   | \$ 8.74               | \$ 13.94   | \$ 17.50   | \$ 18.70            |
| Market price, end of period   | \$ 11.11            | \$ 10.45   | \$ 8.80               | \$ 12.77   | \$ 17.16   | \$ 18.85            |
| <b>Total Investment Return<sup>3</sup></b>  |                     |            |                       |            |            |                     |
| Based on net asset value  | 8.93% <sup>4</sup>  | 30.27%     | (23.82)%              | (10.17)%   | 3.00%      | 11.99%              |
| Based on market price   | 10.13% <sup>4</sup> | 29.13%     | (16.27)%              | (16.08)%   | 0.19%      | 18.36%              |
| <b>Ratios to Average Net Assets</b>   |                     |            |                       |            |            |                     |
| Total expenses  | 1.65% <sup>5</sup>  | 1.53%      | 2.47%                 | 2.77%      | 3.66%      | 3.17%               |
| Total expenses after fees waived and paid indirectly                                | 1.65% <sup>5</sup>  | 1.53%      | 2.47%                 | 2.77%      | 3.66%      | 3.17%               |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.33% <sup>5</sup>  | 1.26%      | 1.57%                 | 1.23%      | 1.30%      | 1.29%               |
| Net investment income   | 7.11% <sup>5</sup>  | 7.86%      | 13.63%                | 10.40%     | 9.63%      | 9.57%               |
| <b>Supplemental Data</b>  |                     |            |                       |            |            |                     |
| Net assets, end of period (000)   | \$ 136,418          | \$ 129,385 | \$ 107,556            | \$ 169,707 | \$ 212,792 | \$ 224,156          |
| Borrowings outstanding, end of period (000)   | \$ 37,000           | \$ 29,000  | \$ 18,000             | \$ 65,500  | \$ 72,000  | \$ 88,800           |
| Average borrowings outstanding during the period (000)                              | \$ 33,514           | \$ 25,074  | \$ 28,247             | \$ 64,335  | \$ 95,465  | \$ 86,132           |
| Portfolio turnover  | 52%                 | 105%       | 45%                   | 41%        | 72%        | 64%                 |
| Asset coverage, end of period per \$1,000   | \$ 4,687            | \$ 5,462   | \$ 6,975              | \$ 3,591   | \$ 3,955   | \$ 3,524            |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> 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 include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

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

Six Months  
Ended  
February 28,

|  | 2011<br>(Unaudited) | 2010       | Year Ended August 31, |            |            |            |
|--|---------------------|------------|-----------------------|------------|------------|------------|
|  |                     | 2009       | 2008                  | 2007       | 2006       |            |
| <b>Per Share Operating Performance</b>   |                     |            |                       |            |            |            |
| Net asset value, beginning of period   | \$ 14.36            | \$ 12.93   | \$ 16.12              | \$ 18.25   | \$ 19.32   | \$ 19.35   |
| Net investment income <sup>1</sup>   | 0.46                | 0.91       | 1.14                  | 1.45       | 1.54       | 1.40       |
| Net realized and unrealized gain (loss)  | 0.88                | 1.48       | (3.04)                | (2.03)     | (1.07)     | (0.06)     |
| Net increase (decrease) from investment operations   | 1.34                | 2.39       | (1.90)                | (0.58)     | 0.47       | 1.34       |
| Dividends and distributions from:  |                     |            |                       |            |            |            |
| Net investment income  | (0.46)              | (0.94)     | (1.29)                | (1.55)     | (1.54)     | (1.37)     |
| Tax return of capital  | —                   | (0.02)     | —                     | —          | —          | —          |
| Total dividends and distributions  | (0.46)              | (0.96)     | (1.29)                | (1.55)     | (1.54)     | (1.37)     |
| Net asset value, end of period   | \$ 15.24            | \$ 14.36   | \$ 12.93              | \$ 16.12   | \$ 18.25   | \$ 19.32   |
| Market price, end of period  | \$ 15.38            | \$ 14.61   | \$ 12.26              | \$ 14.49   | \$ 16.70   | \$ 17.49   |
| <b>Total Investment Return<sup>2</sup></b>   |                     |            |                       |            |            |            |
| Based on net asset value   | 9.47% <sup>3</sup>  | 18.91%     | (8.88)%               | (2.56)%    | 2.74%      | 7.92%      |
| Based on market price  | 8.59% <sup>3</sup>  | 27.59%     | (3.88)%               | (4.28)%    | 3.85%      | 5.91%      |
| <b>Ratios to Average Net Assets</b>  |                     |            |                       |            |            |            |
| Total expenses   | 1.49% <sup>4</sup>  | 1.45%      | 1.96%                 | 2.61%      | 3.33%      | 2.54%      |
| Total expenses after fees waived and paid indirectly   | 1.49% <sup>4</sup>  | 1.45%      | 1.96%                 | 2.60%      | 3.33%      | 2.54%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees | 1.21% <sup>4</sup>  | 1.22%      | 1.31%                 | 1.18%      | 1.20%      | 1.14%      |
| Net investment income  | 6.21% <sup>4</sup>  | 6.43%      | 10.18%                | 8.49%      | 7.88%      | 7.30%      |
| <b>Supplemental Data</b>   |                     |            |                       |            |            |            |
| Net assets, end of period (000)  | \$ 281,067          | \$ 264,379 | \$ 237,160            | \$ 295,005 | \$ 334,065 | \$ 353,713 |
| Borrowings outstanding, end of period (000)  | \$ 63,000           | \$ 53,000  | \$ 38,000             | \$ 101,500 | \$ 107,000 | \$ 135,200 |
| Average borrowings outstanding during the period (000)                                       | \$ 60,536           | \$ 48,258  | \$ 50,591             | \$ 102,272 | \$ 133,763 | \$ 101,916 |
| Portfolio turnover   | 54%                 | 96%        | 58%                   | 49%        | 69%        | 57%        |
| Asset coverage, end of period per \$1,000  | \$ 5,461            | \$ 5,988   | \$ 7,241              | \$ 3,906   | \$ 4,122   | \$ 3,616   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> 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 include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

See Notes to Financial Statements.

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## Financial Highlights BlackRock Limited Duration Income Trust (BLW)

|   | Six Months Ended                 |                   |                   | Period November 1, 2007 to August 31, 2008 |            | Year Ended October 31, 2006 |            | 2005 |
|---|----------------------------------|-------------------|-------------------|--|------------|-----------------------------|------------|------|
|   | February 28, 2011<br>(Unaudited) | 2010              | 2009              | 2008                                       | 2007       | 2006                        | 2005       |      |
| <b>Per Share Operating Performance</b>  |                                  |                   |                   |  |            |                             |            |      |
| Net asset value, beginning of period  | \$ 16.79                         | \$ 14.95          | \$ 16.71          | \$ 18.52                                   | \$ 19.01   | \$ 19.17                    | \$ 20.13   |      |
| Net investment income   | 0.64 <sup>1</sup>                | 1.12 <sup>1</sup> | 1.01 <sup>1</sup> | 1.14 <sup>1</sup>                          | 1.50       | 1.35                        | 1.46       |      |
| Net realized and unrealized gain (loss)   | 0.69                             | 1.62              | (1.61)            | (1.76)                                     | (0.49)     | 0.03                        | (0.94)     |      |
| Net increase (decrease) from investment operations                                  | 1.33                             | 2.74              | (0.60)            | (0.62)                                     | 1.01       | 1.38                        | 0.52       |      |
| Dividends and distributions from:   |                                  |                   |                   |  |            |                             |            |      |
| Net investment income   | (0.54)                           | (0.90)            | (1.16)            | (1.19)                                     | (1.41)     | (1.52)                      | (1.33)     |      |
| Net realized gain   | —                                | —                 | —                 | —  | (0.06)     | —                           | (0.15)     |      |
| Tax return of capital   | —                                | —                 | —                 | —  | (0.03)     | (0.02)                      | —          |      |
| Total dividends and distributions   | (0.54)                           | (0.90)            | (1.16)            | (1.19)                                     | (1.50)     | (1.54)                      | (1.48)     |      |
| Net asset value, end of period  | \$ 17.58                         | \$ 16.79          | \$ 14.95          | \$ 16.71                                   | \$ 18.52   | \$ 19.01                    | \$ 19.17   |      |
| Market price, end of period   | \$ 17.00                         | \$ 16.76          | \$ 14.09          | \$ 14.57                                   | \$ 16.68   | \$ 18.85                    | \$ 17.48   |      |
| <b>Total Investment Return<sup>2</sup></b>  |                                  |                   |                   |  |            |                             |            |      |
| Based on net asset value  | 8.73% <sup>3</sup>               | 19.00%            | (1.57)%           | (2.60)% <sup>3</sup>                       | 5.66%      | 7.85%                       | 2.93%      |      |
| Based on market price   | 5.33% <sup>3</sup>               | 26.04%            | 6.40%             | (5.70)% <sup>3</sup>                       | (4.03)%    | 17.31%                      | (5.30)%    |      |
| <b>Ratios to Average Net Assets</b>   |                                  |                   |                   |  |            |                             |            |      |
| Total expenses  | 0.94% <sup>4</sup>               | 0.82%             | 0.72%             | 1.39% <sup>4</sup>                         | 2.16%      | 2.20%                       | 1.71%      |      |
| Total expenses after fees waived and before fees paid indirectly                    | 0.94% <sup>4</sup>               | 0.81%             | 0.71%             | 1.39% <sup>4</sup>                         | 2.16%      | 2.20%                       | 1.71%      |      |
| Total expenses after fees waived and paid indirectly                                | 0.94% <sup>4</sup>               | 0.81%             | 0.71%             | 1.38% <sup>4</sup>                         | 2.14%      | 2.19%                       | 1.71%      |      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.83% <sup>4</sup>               | 0.73%             | 0.69%             | 0.76% <sup>4</sup>                         | 0.83%      | 0.91%                       | 0.92%      |      |
| Net investment income   | 7.48% <sup>4</sup>               | 6.90%             | 7.42%             | 7.84% <sup>4</sup>                         | 7.92%      | 7.10%                       | 7.42%      |      |
| <b>Supplemental Data</b>  |                                  |                   |                   |  |            |                             |            |      |
| Net assets, end of period (000)   | \$ 648,843                       | \$ 619,381        | \$ 551,505        | \$ 616,393                                 | \$ 638,109 | \$ 699,206                  | \$ 704,961 |      |
| Borrowings outstanding, end of period (000)   | \$ 170,982                       | \$ 123,233        | —                 | \$ 64,538                                  | \$ 109,287 | \$ 220,000                  | \$ 176,010 |      |
| Average borrowings outstanding during the period (000)                              | \$ 163,186                       | \$ 44,160         | \$ 11,705         | \$ 120,295                                 | \$ 172,040 | \$ 179,366                  | \$ 186,660 |      |
| Portfolio turnover  | 54% <sup>5</sup>                 | 248% <sup>6</sup> | 287% <sup>7</sup> | 191% <sup>8</sup>                          | 65%        | 132%                        | 70%        |      |



## Edgar Filing: BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC - Form N-CSRS

|   |          |          |   |           |          |          |          |
|---|----------|----------|---|-----------|----------|----------|----------|
| Asset coverage, end of period per \$1,000 | \$ 4,795 | \$ 6,026 | — | \$ 10,551 | \$ 7,251 | \$ 4,178 | \$ 5,005 |
|---|----------|----------|---|-----------|----------|----------|----------|

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> 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 include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 48%.

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

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

<sup>8</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 24%.

See Notes to Financial Statements.

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## Financial Highlights **BlackRock Senior Floating Rate Fund, Inc.**

**Six Months  
Ended  
February 28,**

|  | 2011<br>(Unaudited) | 2010       | Year Ended August 31, |                      |            |            |
|--|---------------------|------------|-----------------------|----------------------|------------|------------|
|  |                     | 2009       | 2008                  | 2007                 | 2006       |            |
| <b>Per Share Operating Performance</b>             |                     |            |                       |                      |            |            |
| Net asset value, beginning of period               | \$ 7.59             | \$ 7.16    | \$ 7.98               | \$ 8.60              | \$ 8.92    | \$ 9.01    |
| Net investment income <sup>1</sup>                 | 0.17                | 0.36       | 0.39                  | 0.51                 | 0.60       | 0.52       |
| Net realized and unrealized gain (loss)            | 0.33                | 0.43       | (0.83)                | (0.62)               | (0.32)     | (0.08)     |
| Net increase (decrease) from investment operations | 0.50                | 0.79       | (0.44)                | (0.11)               | 0.28       | 0.44       |
| Dividends from net investment income               | (0.17)              | (0.36)     | (0.38)                | (0.51)               | (0.60)     | (0.53)     |
| Net asset value, end of period                     | \$ 7.92             | \$ 7.59    | \$ 7.16               | \$ 7.98              | \$ 8.60    | \$ 8.92    |
| <b>Total Investment Return<sup>2</sup></b>         |                     |            |                       |                      |            |            |
| Based on net asset value                           | 6.61% <sup>3</sup>  | 11.20%     | (4.69)%               | (1.32)% <sup>4</sup> | 3.07%      | 4.97%      |
| <b>Ratios to Average Net Assets<sup>5</sup></b>    |                     |            |                       |                      |            |            |
| Total expenses                                     | 1.61% <sup>6</sup>  | 1.53%      | 1.53%                 | 1.28% <sup>4</sup>   | 1.44%      | 1.43%      |
| Net investment income                              | 4.28% <sup>6</sup>  | 4.82%      | 5.97%                 | 6.16%                | 6.67%      | 5.84%      |
| <b>Supplemental Data</b>                           |                     |            |                       |                      |            |            |
| Net assets, end of period (000)                    | \$ 301,028          | \$ 298,135 | \$ 311,662            | \$ 399,400           | \$ 505,515 | \$ 601,807 |
| Portfolio turnover for the Master LLC              | 63%                 | 108%       | 47%                   | 56%                  | 46%        | 54%        |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions.

The Fund is a continuously offered

closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per

share \$0.02 and increased total investment return 0.24%. The expense ratio excluding the refund was 1.46%.

<sup>5</sup> Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

<sup>6</sup> Annualized.

See Notes to Financial Statements.

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## Financial Highlights BlackRock Senior Floating Rate Fund II, Inc.

Six Months  
Ended  
February 28,

|  | 2011<br>(Unaudited) | 2010       | Year Ended August 31, |                      |            |            |
|--|---------------------|------------|-----------------------|----------------------|------------|------------|
|  |                     | 2009       | 2008                  | 2007                 | 2006       |            |
| <b>Per Share Operating Performance</b>             |                     |            |                       |                      |            |            |
| Net asset value, beginning of period               | \$ 8.22             | \$ 7.76    | \$ 8.67               | \$ 9.35              | \$ 9.70    | \$ 9.79    |
| Net investment income <sup>1</sup>                 | 0.18                | 0.38       | 0.41                  | 0.54                 | 0.63       | 0.56       |
| Net realized and unrealized gain (loss)            | 0.36                | 0.46       | (0.89)                | (0.69)               | (0.34)     | (0.10)     |
| Net increase (decrease) from investment operations | 0.54                | 0.84       | (0.48)                | (0.15)               | 0.29       | 0.46       |
| Dividends from net investment income               | (0.18)              | (0.38)     | (0.43)                | (0.53)               | (0.64)     | (0.55)     |
| Net asset value, end of period                     | \$ 8.58             | \$ 8.22    | \$ 7.76               | \$ 8.67              | \$ 9.35    | \$ 9.70    |
| <b>Total Investment Return<sup>2</sup></b>         |                     |            |                       |                      |            |            |
| Based on net asset value                           | 6.61% <sup>3</sup>  | 10.97%     | (4.70)%               | (1.61)% <sup>4</sup> | 2.89%      | 4.90%      |
| <b>Ratios to Average Net Assets<sup>5</sup></b>    |                     |            |                       |                      |            |            |
| Total expenses                                     | 1.81% <sup>6</sup>  | 1.67%      | 1.68%                 | 1.50% <sup>4</sup>   | 1.59%      | 1.57%      |
| Total expenses after fees waived                   | 1.67% <sup>6</sup>  | 1.67%      | 1.68%                 | 1.50%                | 1.59%      | 1.57%      |
| Net investment income                              | 4.22% <sup>6</sup>  | 4.68%      | 5.79%                 | 5.96%                | 6.53%      | 5.70%      |
| <b>Supplemental Data</b>                           |                     |            |                       |                      |            |            |
| Net assets, end of period (000)                    | \$ 148,318          | \$ 150,483 | \$ 150,347            | \$ 186,637           | \$ 247,861 | \$ 322,202 |
| Portfolio turnover for the Master LLC              | 63%                 | 108%       | 47%                   | 56%                  | 46%        | 54%        |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions. The Fund is a continuously offered closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per share \$0.02 and increased total investment return 0.11%. The expense ratio excluding the refund was 1.64%.

<sup>5</sup> Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

<sup>6</sup> Annualized.

See Notes to Financial Statements.

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## Notes to Financial Statements (Unaudited)

### 1. Organization and Significant Accounting Policies:

BlackRock Defined Opportunity Credit Trust (“BHL”), BlackRock Diversified Income Strategies Fund, Inc. (“DVF”), BlackRock Floating Rate Income Strategies Fund, Inc. (“FRA”), BlackRock Limited Duration Income Trust (“BLW”), BlackRock Senior Floating Rate Fund, Inc. (“Senior Floating Rate”) and BlackRock Senior Floating Rate Fund II, Inc. (“Senior Floating Rate II”) (collectively, the “Funds” or individually as a “Fund”) are registered under the Investment Company Act of 1940, as amended (the “1940 Act”). BHL and BLW are organized as Delaware Statutory trusts. DVF, FRA, Senior Floating Rate and Senior Floating Rate II are organized as Maryland corporations. BHL, DVF, FRA and BLW are registered as diversified, closed-end management investment companies. Senior Floating Rate and Senior Floating Rate II are registered as continuously offered, non-diversified, closed-end management investment companies. 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 and disclosures in the financial statements. Actual results could differ from those estimates. Each Fund’s Board of Directors/Trustees are collectively referred to throughout this report as the “Board of Directors” or the “Board”. The Funds determine and make available for publication the net asset values of their Common Shares on a daily basis.

Senior Floating Rate and Senior Floating Rate II seek to achieve their investment objectives by investing all their assets in the Master Senior Floating Rate LLC (the “Master LLC”), which has the same investment objective and strategies as these Funds. The value of each Fund’s investment in the Master LLC reflects each Fund’s proportionate interest in the net assets of the Master LLC. The performance of each Fund is directly affected by the performance of the Master LLC. The financial statements of the Master LLC, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with Senior Floating Rate and Senior Floating Rate II’s financial statements. The percentage of the Master LLC owned by Senior Floating Rate and Senior Floating Rate II at February 28, 2011 was 67% and 33%, respectively.

Reorganizations: On September 2, 2010, the Board of each of Senior Floating Rate and Senior Floating Rate II (the “Senior Floating Rate Funds”) and on September 17, 2010 the Board of Trustees of BlackRock Funds II approved the reorganization of each Senior Floating Rate Fund into the BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds II (“Floating Rate Income Portfolio”), with the BlackRock Floating Rate Income Portfolio being the legal surviving fund (the “Reorganizations”). The Reorganizations were effective on March 21, 2011, see Note 10 for more details.

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 fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. 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. To-be-announced ("TBA") commitments are valued on the basis of last available bid prices or current market quotations provided by pricing services. 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 and trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ("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 price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

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 price. If no bid 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

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## Notes to Financial Statements (continued)

value of the option. Over-the-counter (“OTC”) options 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 which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued 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 investment advisor and/or the sub-advisor 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 investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

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 each 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 materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the investment advisor using a pricing service and/or policies approved by the Board.

Senior Floating Rate and Senior Floating Rate II record their investments in the Master LLC at fair value based on each Fund’s proportionate interest in the net assets of the Master LLC. Valuation of securities held by the Master LLC, including categorization of fair value measurements, is discussed in Note 1 of the Master LLC’s Notes to Financial Statements, which are included elsewhere in this report.

Foreign Currency Transactions: 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 date the transactions are entered into. Generally, when the US dollar rises in value against a foreign currency, the Funds’ investments denominated in that currency will lose value because its currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

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.

**Asset-Backed and Mortgage-Backed Securities:** Certain 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. If a Fund has 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.

Certain 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 and are supported by the right of the issuer to borrow from the Treasury.

**Zero-Coupon Bonds:** Certain 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.

**Preferred Stock:** Certain Funds may invest in preferred stocks. 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

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## Notes to Financial Statements (continued)

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:** Certain 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 LIBOR (London Inter Bank Offered Rate), 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 their investment policies.

When a Fund buys 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. The Funds earn and/or pay facility and other fees on floating rate loan interests, which are shown as facility and other fees in the Statements of Operations. 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 general creditors 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.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain 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, if any.

**TBA Commitments:** Certain Funds may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date; however, delivered securities must meet specified terms, including issuer, rate and mortgage terms. The Funds generally enter into TBA commitments with the intent to take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

**Mortgage Dollar Roll Transactions:** Certain Funds may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Funds will not be entitled to receive interest and principal payments on the securities sold. The Funds account for dollar roll

transactions as purchases and sales and realize gains and losses on these transactions. These transactions may increase the Funds' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Funds are required to purchase may decline below the agreed upon repurchase price of those securities.

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## Notes to Financial Statements (continued)

**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 agree to repurchase the same securities at a mutually agreed upon date and price. 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. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Funds' obligation to repurchase the securities.

**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., dollar rolls, TBA sale commitments, financial futures contracts, foreign currency exchange contracts and swaps) or certain borrowings (e.g., reverse repurchase agreements, TALF loans and loan payable), the Funds will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or other 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, each party has requirements to deliver/deposit securities 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). For financial reporting purposes, contributions to and withdrawals from the Master LLC are accounted for on a trade basis. 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. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis. Consent fees are compensation for

agreeing to changes in the terms of debt instruments and are included in facility and other fees in the Statements of Operations.

Senior Floating Rate and Senior Floating Rate II record daily their proportionate share of the Master LLC's income, expenses and realized and unrealized gains and losses. In addition, both Funds accrue their own expenses.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital. The amount 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.

Certain Funds have wholly owned taxable subsidiaries organized as limited liability companies (the Taxable Subsidiaries) each of which holds one of the investments listed in the Schedules of Investments. The Taxable Subsidiaries allow a Fund to hold an investment that is organized as an operating partnership while still satisfying Regulated Investment Company tax requirements. Income earned on the investments held by the Taxable Subsidiaries is taxable to such subsidiaries. Income tax expense, if any, of the Taxable Subsidiaries is reflected in the value of the investments held by the Taxable 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 the Funds' US federal tax returns remains open for each of the two years ended August 31, 2010 and the period ended August 31, 2008 for BHL, the four years ended August 31, 2010 for DVF, FRA, Senior Floating Rate and Senior Floating Rate II and the two years ended August 31, 2010, the period ended August 31, 2008 and the year ended October 31, 2007 for BLW. 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.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Fund's Board, non-interested 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 approximately 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.

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## Notes to Financial Statements (continued)

The deferred compensation plan is not funded and obligations there-under represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in dividends — affiliated in the Statements of Operations.

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 custodians 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 custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

### 2. Derivative Financial Instruments:

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

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Funds' maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Funds bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as options written obligate the Funds to perform and not the counterparty. Counterparty risk related to exchange-traded financial futures contracts and options is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Funds may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement implemented between a Fund and each of its respective counterparties. The ISDA Master



Agreement allows each Fund to offset with each separate counterparty certain derivative financial instrument's payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Funds from their counterparties are not fully collateralized contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. See Note 1 "Segregation and Collateralization" for information with respect to collateral practices. In addition, the Funds manage 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.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate 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 its ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

**Financial Futures Contracts:** The Funds purchase 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). Financial futures contracts are agreements between the Funds and the 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, 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 settlement date. 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 margin variation and are recorded by the Funds as unrealized appreciation or depreciation. 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 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 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. Foreign currency exchange contracts, when used by the Funds, help to manage the overall exposure to the currency backing some of the investments held by the Funds. 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 and the risk that

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## Notes to Financial Statements (continued)

a counterparty to the contract does not perform its obligations under the agreement.

Options: The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments (interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying instrument at the exercise 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 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.

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 at a price different from the current market value.

Swaps: The Funds enter into swap agreements, in which the Funds and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the 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. 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 its 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 enter into credit default swap agreements to provide a measure of protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). 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 buyer pays fixed periodic payments to the seller in consideration for a guarantee from the 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 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 occurs. As a buyer, if an underlying credit event occurs, the Funds will either 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 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.

## Notes to Financial Statements (continued)

**Derivative Instruments Categorized by Risk Exposure:  
Fair Values of Derivative Instruments as of February 28, 2011**
**Asset Derivatives**

|                                     |   | BHL      | DVF | FRA          | BLW       |
|-------------------------------------|---|----------|-----|--------------|-----------|
| <b>Statement of Assets</b>          | <b>and Liabilities</b>  |          |     |              |           |
|                                     | <b>Location</b>   |          |     | <b>Value</b> |           |
| Foreign currency exchange contracts | Unrealized appreciation on foreign<br>currency exchange contracts | \$ 6,661 | —   | \$ 7,285     | \$ 15,275 |

**Liability Derivatives**

|                                     |   | BHL        | DVF        | FRA          | BLW        |
|-------------------------------------|---|------------|------------|--------------|------------|
| <b>Statement of Assets</b>          | <b>and Liabilities</b>  |            |            |              |            |
|                                     | <b>Location</b>   |            |            | <b>Value</b> |            |
| Interest rate contracts             | Net unrealized<br>appreciation/depreciation*                      | —          | —          | —            | \$ 36,143  |
| Foreign currency exchange contracts | Unrealized depreciation on foreign<br>currency exchange contracts | \$ 176,575 | \$ 188,636 | \$ 333,453   | 736,158    |
| Credit contracts                    | Unrealized depreciation on swaps                                  | —          | —          | —            | 83,243     |
| <b>Total</b>                        |   | \$ 176,575 | \$ 188,636 | \$ 333,543   | \$ 855,544 |

\* Includes cumulative appreciation/depreciation on the financial futures contracts as reported in the Schedules of Investments. Only current day's margin variation is reported within the Statements of Assets and Liabilities.

**The Effect of Derivative Instruments in the Statements of Operations  
Six Months Ended February 28, 2011**
**Net Realized Gain (Loss) from**

|                                      | BHL          | DVF          | FRA           | BLW            |
|--------------------------------------|--------------|--------------|---------------|----------------|
| Interest rate contracts:             |              |              |               |                |
| Financial futures contracts          | —            | —            | —             | \$ (195,876)   |
| Options**                            | —            | —            | —             | (21,025)       |
| Foreign currency exchange contracts: |              |              |               |                |
| Foreign currency exchange contracts  | \$ (683,392) | \$ (655,580) | \$(1,218,348) | (5,234,984)    |
| Credit contracts:                    |              |              |               |                |
| Swaps                                | —            | (10,913)     | —             | (48,942)       |
| <b>Total</b>                         | \$ (683,392) | \$ (666,493) | \$(1,218,348) | \$ (5,500,827) |

Net Change in Unrealized Appreciation/Depreciation on

---

|                                      | BHL          | DVF          | FRA          | BLW         |
|--------------------------------------|--------------|--------------|--------------|-------------|
| Interest rate contracts:             |              |              |              |             |
| Financial futures contracts          | —            | —            | —            | \$ 144,671  |
| Options**                            | —            | —            | —            | 20,231      |
| Foreign currency exchange contracts: |              |              |              |             |
| Foreign currency exchange contracts  | \$ (169,435) | \$ (174,297) | \$ (278,445) | (23,738)    |
| Credit contracts:                    |              |              |              |             |
| Swaps                                | —            | 21,480       | —            | (156,244)   |
| <b>Total</b>                         | \$ (169,435) | \$ (152,817) | \$ (278,445) | \$ (15,080) |

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

## Notes to Financial Statements (continued)

For the six months ended February 28, 2011 the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BHL          | DVF          | FRA          | BLW           |
|--|--------------|--------------|--------------|---------------|
| Financial futures contracts:                         |              |              |              |               |
| Average number of contracts purchased                | —            | —            | —            | 2             |
| Average number of contracts sold                     | —            | —            | —            | 100           |
| Average notional value of contracts purchased        | —            | —            | —            | \$ 487,956    |
| Average notional value of contracts sold             | —            | —            | —            | —\$21,606,899 |
| Foreign currency exchange contracts:                 |              |              |              |               |
| Average number of contracts — US dollars purchased   | 6            | 6            | 7            | 7             |
| Average number of contracts — US dollars sold        | 2            | 2            | 3            | 1             |
| Average US dollar amounts purchased.                 | \$11,428,279 | \$11,638,271 | \$21,384,156 | \$37,943,242  |
| Average US dollar amounts sold                       | \$ 364,248   | \$ 778,319   | \$ 2,056,731 | \$ 640,523    |
| Options:   |              |              |              |               |
| Average number of option contracts purchased         | —            | 13           | 20           | 46            |
| Average notional value of option contracts purchased | —            | \$12,257     | \$ 18,857    | \$ 43,372     |
| Credit default swaps:                                |              |              |              |               |
| Average number of contracts — buy protection         | —            | —            | —            | 2             |
| Average number of contracts — sell protection        | —            | 1            | —            | —             |
| Average notional value-buy protection                | —            | —            | —            | \$1,100,000   |
| Average notional value-sell protection               | —            | \$ 150,000   | —            | —             |

### 3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") are the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate of the Funds for 1940 Act purposes, but BAC and Barclays are not.

BHL, DVF, FRA and BLW entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (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 at an annual rate of each Fund's average daily net assets, plus the proceeds of any outstanding borrowings used for leverage as follows:

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|     |       |
|-----|-------|
| BHL | 1.00% |
| DVF | 0.75% |
| 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 through each Fund's investment in other affiliated investment companies, if any. These amounts are shown as fees waived by advisor in the Statements of Operations. For the six months ended February 28, 2011, the amounts waived were as follows:

|     |         |
|-----|---------|
| BHL | \$ 819  |
| DVF | \$ 861  |
| FRA | \$1,260 |
| BLW | \$2,854 |

The Manager, on behalf of BHL, DVF, FRA and BLW, 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.

For the six months ended February 28, 2011, certain Funds reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

|     |         |
|-----|---------|
| BHL | \$ 444  |
| DVF | \$ 461  |
| FRA | \$2,860 |
| BLW | \$6,942 |

Senior Floating Rate and Senior Floating Rate II entered into an Administration Agreement with the Manager. The administration fee paid to the Manager is calculated daily and paid monthly based on an annual rate of 0.25% and 0.40%, respectively, of the average daily value of these Fund's net assets for the performance of administrative services (other than investment advice and related portfolio activities) necessary for the operation of these Funds.

For Senior Floating Rate II, the Manager voluntarily agreed to waive expenses in order to limit total annual Fund operating expenses (excluding



interest expense, acquired fund fees and expenses and certain other expenses) to 1.83% of the Fund's average daily net assets. This voluntary waiver may be reduced or discontinued at any time without notice.

Senior Floating Rate and Senior Floating Rate II entered into a separate Distribution Agreement and Distribution Plan with BlackRock Investments, LLC ("BRIL"), which is an affiliate of BlackRock.

For the six months ended February 28, 2011, BRIL received early withdrawal charges for Senior Floating Rate and Senior Floating Rate II in the amount of \$57,184 and \$3,990, respectively relating to the tender of each Fund's shares.

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## Notes to Financial Statements (continued)

Senior Floating Rate and Senior Floating Rate II may earn income on positive cash balances in demand deposit accounts that are maintained by the transfer agent on behalf of the Funds. These amounts are included in dividends – affiliated in the Statements of Operations.

Certain officers and/or trustees of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation paid to the Funds' Chief Compliance Officer.

### 4. Investments:

Purchases and sales of investments including paydowns and mortgage dollar roll transactions and excluding short-term securities and US government securities for the six months ended February 28, 2011, were as follows:

|     | Purchases     | Sales         |
|-----|---------------|---------------|
| BHL | \$110,302,210 | \$ 82,285,931 |
| DVF | \$115,481,381 | \$ 90,472,347 |
| FRA | \$235,661,473 | \$188,787,497 |
| BLW | \$487,497,672 | \$432,264,757 |

For the six months ended February 28, 2011, purchases and sales of US government securities for BLW were \$2,513,922 and \$3,382,238, respectively.

For the six months ended February 28, 2011, purchases and sales for BLW attributable to mortgage dollar rolls were \$49,508,781 and \$49,664,770, respectively.

### 5. Commitments:

The Funds may invest in floating rate loan interests. In connection with these investments, the Funds may also enter into unfunded loan commitments ("commitments"). Commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be

arranged. 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 classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period.

As of February 28, 2011, the Funds had the following unfunded loan commitments:

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| <b>Borrower</b>      | <b>Unfunded<br/>Commitment</b> | <b>Value of<br/>Underlying<br/>Loan</b> |
|----------------------|--------------------------------|---|
| <b>BHL</b>           |                                |   |
| Axcan                | \$ 333,333                     | \$ 336,037                              |
| CII Investment, LLC  | \$ 120,155                     | \$ 121,811                              |
| Delphi Holdings LLP  | \$ 122,764                     | \$ 119,080                              |
| Delta Airlines, Inc. | \$ 950,000                     | \$ 973,370                              |
| Horizon Lines, LLC   | \$ 92,394                      | \$ 91,518                               |
| <b>DVF</b>           |                                |   |
| Axcan                | \$ 350,000                     | \$ 352,840                              |
| CII Investment, LLC  | \$ 64,984                      | \$ 65,345                               |
| Delphi Holdings LLP  | \$ 122,764                     | \$ 119,081                              |
| Delta Airlines, Inc. | \$1,025,000                    | \$1,052,806                             |
| Echostar             | \$1,395,000                    | \$1,395,000                             |
| Horizon Lines, LLC   | \$ 92,394                      | \$ 91,317                               |
| <b>FRA</b>           |                                |   |
| Axcan                | \$ 733,333                     | \$ 739,283                              |
| CII Investment, LLC  | \$ 186,179                     | \$ 190,448                              |
| Delphi Holdings LLP  | \$ 306,911                     | \$ 297,703                              |
| Delta Airlines, Inc. | \$ 925,000                     | \$ 946,040                              |
| Echostar             | \$2,860,000                    | \$2,860,000                             |
| Horizon Lines, LLC   | \$ 184,789                     | \$ 182,915                              |
| <b>BLW</b>           |                                |   |
| Axcan                | \$ 500,000                     | \$ 504,058                              |
| Delphi Holdings LLP  | \$ 613,821                     | \$ 595,407                              |
| Delta Airlines, Inc. | \$4,750,000                    | \$4,876,883                             |
| Echostar             | \$4,800,000                    | \$4,800,000                             |

6. Capital Loss Carryforwards:

As of August 31, 2010, the Funds had capital carry loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| <b>Expires August 31,</b> | <b>BHL</b> | <b>DVF</b> | <b>FRA</b> | <b>BLW</b> | <b>Senior<br/>Floating Rate<br/>Fund</b> | <b>Senior<br/>Floating Rate<br/>Fund II</b> |
|---------------------------|------------|------------|------------|------------|--|---|
| 2011                      | —          | —          | —          | —          | \$ 53,409,203                            | \$17,719,049                                |
| 2012                      | —          | —          | —          | —          | 34,221,818                               | 6,383,383                                   |
| 2013                      | —          | —          | \$ 691,829 | —          | 56,166,095                               | —   |

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|              |             |              |              |              |               |              |
|--------------|-------------|--------------|--------------|--------------|---------------|--------------|
| 2014         | —           | \$ 1,755,694 | —            | —            | 945,546       | —            |
| 2015         | —           | 2,237,399    | —            | —            | 2,561,691     | —            |
| 2016         | —           | 1,444,704    | 475,453      | \$21,933,927 | 31,419,599    | 4,923,144    |
| 2017         | \$1,063,204 | 20,249,830   | 20,954,032   | 9,996,868    | 16,221,457    | 7,728,284    |
| 2018         | 5,362,244   | 52,502,532   | 43,990,722   | 37,509,275   | 40,888,146    | 19,009,722   |
| <b>Total</b> | \$6,425,448 | \$78,190,159 | \$66,112,036 | \$69,440,070 | \$235,833,555 | \$55,763,582 |

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Funds after August 31, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

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## Notes to Financial Statements (continued)

### 7. 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 they believe 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 the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

Certain Funds invest a significant portion of their 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.

### 8. 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. DVF and FRA are 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 classify and reclassify any unissued shares without approval of Common Shareholders.

For the six months ended February 28, 2011 and the year ended August 31, 2010, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

**Six Months Ended**  
**February 28, 2011**

**Year Ended**  
**August 31, 2010**

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|     |        |        |
|-----|--------|--------|
| BHL | 5,257  | —      |
| DVF | 28,241 | 52,693 |
| FRA | 28,473 | 72,267 |
| BLW | 18,738 | —      |

At February 28, 2011, the shares owned by affiliates of the Manager of the Funds were as follows:

|     |       |
|-----|-------|
| BHL | 8,517 |
| FRA | 9,017 |

Transactions in capital shares, with respect to Senior Floating Rate and Senior Floating Rate II, were as follows:

|  | Six Months Ended  |                | Year Ended      |                 |
|--|-------------------|----------------|-----------------|-----------------|
|  | February 28, 2011 |                | August 31, 2009 |                 |
| <b>Senior Floating Rate</b>                                | Shares            | Amount         | Shares          | Amount          |
| Shares sold  | 1,471,679         | \$ 11,472,862  | 2,423,990       | \$ 18,308,182   |
| Shares issued to shareholders in reinvestment of dividends | 53,539            | 416,519        | 135,475         | 1,019,194       |
| Total issued   | 1,525,218         | 11,889,381     | 2,559,465       | 19,327,376      |
| Shares tendered  | (2,790,817)       | (21,512,826)   | (6,801,031)     | (50,873,171)    |
| Net decrease   | (1,265,599)       | \$ (9,623,445) | (4,241,566)     | \$ (31,545,795) |
| <b>Senior Floating Rate II</b>                             |                   |                |                 |                 |
| Shares sold  | 837,185           | \$ 7,034,991   | 2,093,983       | \$ 17,121,260   |
| Shares issued to shareholders in reinvestment of dividends | 18,664            | 157,289        | 77,460          | 629,469         |
| Total issued   | 855,849           | 7,192,280      | 2,171,443       | 17,750,729      |
| Shares tendered  | (1,869,368)       | (15,662,491)   | (3,249,989)     | (26,508,193)    |
| Net decrease   | (1,013,519)       | \$ (8,470,211) | (1,078,546)     | \$ (8,757,464)  |

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## Notes to Financial Statements (continued)

### 9. Borrowings:

On March 4, 2010, BHL, DVF and FRA entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement (the "SSB Agreement") with State Street Bank and Trust Company ("SSB"). The Funds have granted a security interest in substantially all of their assets to SSB. The SSB Agreement allowed for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| BHL | \$ 55,000,000                 |
| DVF | \$ 55,000,000                 |
| FRA | \$103,000,000                 |

Advances were made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 1.0% above the Fed Funds rate and (ii) 1.0% above the Overnight LIBOR or (b) 1.0% above the 7-day, 30-day, 60-day or 90-day LIBOR.

Effective March 3, 2011, the SSB Agreement was renewed for 364 days. The SSB Agreement allows for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| BHL | \$ 63,300,000                 |
| DVF | \$ 66,800,000                 |
| FRA | \$137,200,000                 |

Advances are 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 the 7-day, 30-day, 60-day or 90-day LIBOR. In addition, the Funds pay a facility fee and a commitment fee based on SSB's total commitment to the Funds. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Funds as of February 28, 2011 are shown in the Statements of Assets and Liabilities as loan payable.

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%.

During the six months ended February 28, 2011, BLW borrowed under the Term Asset-Backed Securities Loan Facility ("TALF"). The TALF program was launched by the US Department of Treasury and the Federal Reserve Board as a credit facility designed to restore liquidity to the market for asset-backed securities. The Federal Reserve Bank of New York ("FRBNY") provided up to \$1 trillion in non-recourse loans to support the issuance of certain AAA-rated asset-backed securities and commercial mortgage-backed securities ("Eligible Securities"). The Fund posted as collateral already-held Eligible Securities, which were all commercial mortgage-backed securities, in return for non-recourse, 5-year term loans ("TALF loans") in an amount equal to approximately 85% of the value of such Eligible Securities.

The non-recourse provision of the TALF loans allowed the Fund to satisfy loan obligations with Eligible Securities, subject to certain conditions, even if the value of the Eligible Securities falls below the outstanding amount of the loan. The Fund can repay TALF loans prior to the maturity dates with no penalty. Principal and interest due on the loans will typically be paid with principal paydowns and interest received from the Eligible Securities. Credit agreements underlying each loan contain provisions to address instances in which interest payments on Eligible Securities fall short of amounts due to the FRBNY. The Fund paid to the FRBNY a one time administration fee of 0.20% of the amount borrowed, which was expensed as incurred in the current period by the Fund and is included in borrowing costs in the Statements of Operations. The Fund also paid a financing fee equal to the 5-year LIBOR swap rate plus 1.00% on the outstanding loan amount payable monthly, which is included in interest expense in the Statements of Operations.

During the six months ended February 28, 2011, the Fund repaid its outstanding TALF loans and the Eligible Securities posted as collateral were returned to the Fund. The Fund financed the repayment of the TALF loans by entering into reverse repurchase agreements.

Since the Fund had the ability to potentially satisfy TALF loan obligations by surrendering Eligible Securities, potential losses by the Fund associated with the TALF loans were limited to the difference between the amount of Eligible Securities posted at the time of loan initiation and the loan proceeds received by the Fund.

The Fund elected to account for the outstanding TALF loans at fair value. The Fund elected to fair value its TALF loans to more closely align changes in the value of the TALF loans with changes in the value of the Eligible Securities and to reduce the potential volatility in the Statements of Operations which could result if only the Eligible Securities were fair valued. The TALF loans were valued utilizing quotations received from a board approved pricing service. TALF-eligible Asset-Backed Securities/Collateralized Mortgage-Backed Securities ("ABS/CMBS") value may be affected by historic defaults and prepayments on the asset pool, expected future defaults



and prepayments, current interest rate levels, current and forward modeled ABS/CMBS spread levels. Accordingly, TALF loan valuation methodologies may include, but are not limited to, the following inputs: (i) ABS/CMBS prepayment assumptions, (ii) discount rates and (iii) the non-recourse put option valuation. The resulting TALF loan valuation combines the present value of the future loan cash flows, plus the value of the non-recourse option.

For the six months ended February 28, 2011, the daily weighted average interest rates for Funds with loans under the revolving credit agreements were as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BHL | 1.25%   |
| DVF | 1.24%   |
| FRA | 1.26%   |

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## Notes to Financial Statements (concluded)

For the six months ended February 28, 2011, the daily weighted average interest rate for BLW for reverse repurchase agreements and TALF loans was as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BLW | 0.45%   |

### 10. 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 items were noted:

Each Fund paid a net investment income dividend on March 31, 2011 to shareholders of record on March 15, 2011 as follows:

|     | <b>Common Dividend<br/>Per Share</b> |
|-----|--------------------------------------|
| BHL | \$0.0660                             |
| DVF | \$0.0635                             |
| FRA | \$0.0770                             |
| BLW | \$0.1000                             |

Senior Floating Rate and Senior Floating Rate II paid a net investment income dividend on March 17, 2011 to shareholders of record on March 15, 2011 as follows:

|                         | <b>Common Dividend<br/>Per Share</b> |
|-------------------------|--------------------------------------|
| Senior Floating Rate    | \$0.022941                           |
| Senior Floating Rate II | \$0.012695                           |

The Board and shareholders of each of Senior Floating Rate and Senior Floating Rate II (individually, a "Target Fund" and collectively the "Target Funds") and the Board and shareholders of Floating Rate Income Portfolio, a series of BlackRock Funds II ("Floating Rate Income Portfolio"), approved the reorganizations of each Target Fund into Floating Rate Income Portfolio, pursuant to which Floating Rate Income Portfolio acquired substantially all

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of the assets and assumed substantially all of the liabilities of the Target Funds in exchange for an equal aggregate value of the Floating Rate Income Portfolio shares.

In connection with the acquisition, Floating Rate Income Portfolio is the legal surviving entity in the reorganization. Senior Floating Rate is the accounting or continuing portfolio for purposes of maintaining the financial statements and performance history in the post-reorganization fund.

Each shareholder of the Target Funds received Floating Rate Income Portfolio's shares equal to the net asset value of their Target Fund shares, as determined at the close of business on March 18, 2011. The Senior Floating Rate's Common Shares were exchanged for Floating Rate Income Portfolio's Investor A Shares and the Senior Floating Rate II's Common Shares were exchanged for Floating Rate Income Portfolio's newly established Investor C1 Shares.

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

|                         | Shares Prior to<br>Reorganization | Conversion<br>Ratio | Shares of<br>Income Portfolio | Share Class of<br>Floating Rate<br>Income Portfolio |
|-------------------------|-----------------------------------|---------------------|-------------------------------|---|
| Senior Floating Rate    | 38,219,473                        | 0.76034411          | 29,059,951                    | Investor A  |
| Senior Floating Rate II | 17,364,443                        | 0.82468294          | 14,320,160                    | Investor C1   |

Each Target Fund's net assets and composition of net assets on March 18, 2011, the date of the merger, were as follows:

|                         | Undistributed |                    | Accumulated                 |                         |                                   |                |
|-------------------------|---------------|--------------------|-----------------------------|-------------------------|-----------------------------------|----------------|
|                         | Net<br>Assets | Paid-in<br>Capital | Net<br>Investment<br>Income | Net<br>Realized<br>Loss | Net<br>Unrealized<br>Depreciation |                |
| Senior Floating Rate    |               | \$299,965,486      | \$496,699,650               | \$175,714               | \$(186,646,731)                   | \$(10,263,147) |
| Senior Floating Rate II | \$147,803,130 | \$191,685,602      | \$ 65,714                   |                         | \$ (39,557,380)                   | \$ (4,390,806) |

For financial reporting purposes, assets received and shares issued by Floating Rate Income Portfolio were recorded at fair value; however, the

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cost basis of the investments received from the Target Funds was carried forward to align ongoing reporting of Floating Rate Income Portfolio's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The aggregate net assets of Floating Rate Income Portfolio immediately after the acquisition amounted to \$773,541,752. Each Target Fund's fair value and cost of investments prior to the reorganization were as follows:

|                         | <b>Fair Value of<br/>Investments</b> | <b>Cost of<br/>Investments</b> |
|-------------------------|--------------------------------------|--------------------------------|
| Senior Floating Rate    | \$301,386,890                        | \$311,208,711                  |
| Senior Floating Rate II | \$148,276,050                        | \$153,108,180                  |

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 March 21, 2011.

Assuming the acquisition had been completed on September 1, 2010, the beginning of the annual reporting period of Floating Rate Income Portfolio, the pro forma results of operations for the six months ended February 28, 2011 are as follows:

•Net investment income: \$12,617,143

•Net realized and change in unrealized gain/loss on investments:  
\$22,898,023

•Net increase in net assets resulting from operations: \$35,515,166

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## Master Portfolio Summary as of February 28, 2011

### Master Senior Floating Rate LLC

#### Portfolio Composition

|                              | Percent of<br>Long-Term Investments |         |
|------------------------------|-------------------------------------|---------|
| Asset Mix                    | 2/28/11                             | 8/31/10 |
| Floating Rate Loan Interests | 88%                                 | 85%     |
| Corporate Bonds              | 12                                  | 15      |

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## Schedule of Investments February 28, 2010 (Unaudited)

### Master Senior Floating Rate LLC (Percentages shown are based on Net Assets)

| Common Stocks (a)                                    | Shares       | Value     |
|--|--------------|-----------|
| <b>Chemicals — 0.0%</b>                              |              |           |
| GEO Specialty Chemicals, Inc. (b)                    | 39,151       | \$ 15,030 |
| Wellman Holdings, Inc.                               | 5,206        | 260       |
|  |              | 15,290    |
| <b>Paper &amp; Forest Products — 0.3%</b>            |              |           |
| Ainsworth Lumber Co. Ltd. (b)                        | 376,109      | 1,242,664 |
| <b>Total Common Stocks — 0.3%</b>                    |              | 1,257,954 |
|  | <b>Par</b>   |           |
|  | <b>(000)</b> |           |
| <b>Corporate Bonds</b>                               |              |           |
| <b>Airlines — 0.2%</b>                               |              |           |
| Air Canada, 9.25%, 8/01/15 (b)                       | USD 900      | 963,000   |
| <b>Auto Components — 0.7%</b>                        |              |           |
| Icahn Enterprises LP, 7.75%, 1/15/16                 | 3,250        | 3,355,625 |
| <b>Chemicals — 0.6%</b>                              |              |           |
| Wellman Holdings, Inc., Subordinate Note (c):        |              |           |
| (Second Lien), 10.00%, 1/29/19                       | 2,000        | 1,740,000 |
| (Third Lien), 5.00%, 1/29/19 (d)                     | 2,440        | 951,581   |
|  |              | 2,691,581 |
| <b>Commercial Banks — 1.0%</b>                       |              |           |
| CIT Group, Inc.:                                     |              |           |
| 7.00%, 5/01/14                                       | 110          | 112,131   |
| 7.00%, 5/01/16                                       | 290          | 292,538   |
| 7.00%, 5/01/17                                       | 3,985        | 4,014,887 |
|  |              | 4,419,556 |
| <b>Commercial Services &amp; Supplies — 0.3%</b>     |              |           |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)      | 1,501        | 1,542,278 |
| <b>Containers &amp; Packaging — 0.4%</b>             |              |           |
| Berry Plastics Corp., 8.25%, 11/15/15                | 1,700        | 1,821,125 |
| <b>Diversified Financial Services — 0.9%</b>         |              |           |
| Ally Financial, Inc., 2.51%, 12/01/14 (e)            | 3,650        | 3,586,691 |
| Reynolds Group Issuer, Inc., 6.88%, 2/15/21 (b)      | 630          | 631,575   |
|  |              | 4,218,266 |
| <b>Diversified Telecommunication Services — 0.6%</b> |              |           |
| ITC Deltacom, Inc., 10.50%, 4/01/16                  | 900          | 987,750   |
| Qwest Communications International, Inc.:            |              |           |

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|  |       |           |
|--|-------|-----------|
| 8.00%, 10/01/15  | 1,200 | 1,309,500 |
| Series B, 7.50%, 2/15/14   | 477   | 484,155   |
|  |       | 2,781,405 |
| <b>Electronic Equipment, Instruments &amp; Components — 0.2%</b> |       |           |
| CDW LLC, 8.00%, 12/15/18 (b)                                     | 830   | 892,250   |
| <b>Food Products — 0.2%</b>                                      |       |           |
| Smithfield Foods, Inc., 10.00%, 7/15/14                          | 582   | 686,760   |
| <b>Health Care Providers &amp; Services — 0.4%</b>               |       |           |
| HCA, Inc., 7.25%, 9/15/20  | 1,695 | 1,828,481 |
| <b>Hotels, Restaurants &amp; Leisure — 0.3%</b>                  |       |           |
| MGM Resorts International, 11.13%, 11/15/17                      | 1,030 | 1,187,075 |
| <b>Household Durables — 0.6%</b>                                 |       |           |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                         | 2,300 | 2,673,750 |

|   | Par       | Value        |
|---|-----------|--------------|
|   | (000)     |              |
| <b>Corporate Bonds</b>  |           |              |
| <b>Independent Power Producers &amp; Energy Traders — 2.2%</b>  |           |              |
| Calpine Construction Finance Co. LP,<br>8.00%, 6/01/16 (b)      | USD 2,270 | \$ 2,462,950 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b)               | 1,400     | 1,457,893    |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 | 2,650     | 2,766,208    |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                            | 3,250     | 3,384,062    |
|   |           | 10,071,113   |
| <b>Media — 1.3%</b>   |           |              |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17      | 735       | 815,850      |
| Series B, 9.25%, 12/15/17                                       | 2,540     | 2,825,750    |
| UPC Germany GmbH, 8.13%, 12/01/17 (b)                           | 2,000     | 2,145,000    |
|   |           | 5,786,600    |
| <b>Metals &amp; Mining — 0.7%</b>                               |           |              |
| FMG Resources August 2006 Pty Ltd.,<br>7.00%, 11/01/15 (b)      | 1,385     | 1,436,938    |
| Novelis, Inc., 8.38%, 12/15/17 (b)                              | 1,535     | 1,692,337    |
|   |           | 3,129,275    |
| <b>Oil, Gas &amp; Consumable Fuels — 0.1%</b>                   |           |              |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)                   | 484       | 527,560      |
| <b>Wireless Telecommunication Services — 0.7%</b>               |           |              |
| Cricket Communications, Inc., 7.75%, 5/15/16                    | 2,825     | 2,987,437    |

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|  |         |            |
|--|---------|------------|
| <b>Total Corporate Bonds — 11.4%</b>   |         | 51,563,137 |
| <b>Floating Rate Loan Interests (e)</b>  |         |            |
| <b>Aerospace &amp; Defense — 2.2%</b>  |         |            |
| DynCorp International, Term Loan, 6.25%, 7/07/16   | 1,920   | 1,935,789  |
| Hawker Beechcraft Acquisition Co., LLC:<br>Letter of Credit Linked Deposit, 0.20%, 3/26/14     | 115     | 102,536    |
| Term Loan, 2.26% – 2.30%, 3/26/14  | 1,990   | 1,778,072  |
| SI Organization, Inc., New Tranch B Term Loan,<br>4.50%, 11/22/16                              | 1,975   | 1,989,813  |
| Scitor Corp., Term Loan B, 5.75%, 2/01/17  | 1,900   | 1,892,875  |
| TransDigm, Inc., Term Loan (First Lien), 5.25%, 2/14/17  | 2,250   | 2,263,433  |
|  |         | 9,962,518  |
| <b>Auto Components — 0.6%</b>  |         |            |
| Armored Autogroup, Inc. (FKA Viking Aquisition, Inc.),<br>Term Loan, 6.00%, 11/02/16           | 1,550   | 1,557,750  |
| UCI International, Inc., Term Loan, 5.50%, 7/06/17   | 950     | 953,266    |
|  |         | 2,511,016  |
| <b>Biotechnology — 0.4%</b>  |         |            |
| Grifols SA, Term Loan B, 6.00%, 10/01/16   | 1,800   | 1,821,001  |
| <b>Building Products — 2.6%</b>  |         |            |
| Armstrong World Industries, Inc., Term Loan B,<br>5.00%, 5/17/16                               | 2,200   | 2,224,728  |
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17   | 2,200   | 2,206,886  |
| Goodman Global, Inc., Initial Term Loan (First Lien),<br>5.75%, 10/13/16                       | 5,337   | 5,375,817  |
| Momentive Performance Materials (Blitz 06-103 GmbH):<br>Tranche B-1 Term Loan, 3.81%, 12/04/13 | 782     | 779,414    |
| Tranche B-2B Term Loan, 4.36%, 5/05/15   | EUR 770 | 1,033,885  |
|  |         | 11,620,730 |

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|            |                   |             |                                      |
|------------|-------------------|-------------|--------------------------------------|
| <b>CAD</b> | Canadian Dollar   | <b>GBP</b>  | British Pound                        |
| <b>EUR</b> | Euro              | <b>MSCI</b> | Morgan Stanley Capital International |
| <b>FKA</b> | Formerly Known As | <b>USD</b>  | US Dollar                            |

See Notes to Financial Statements.





## Schedule of Investments (continued)

Master Senior Floating Rate LLC  
(Percentages shown are based on Net Assets)

|  |     | Par   |            |
|--|-----|-------|------------|
|  |     | (000) | Value      |
| <b>Floating Rate Loan Interests (e)</b>  |     |       |            |
| <b>Capital Markets — 1.8%</b>  |     |       |            |
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13  | USD | 803   | \$ 807,881 |
| HarbourVest Partners, Term Loan (First Lien),<br>6.25%, 11/10/16   |     | 2,469 | 2,481,094  |
| Marsico Parent Co., LLC, Term Loan, 5.31%, 12/15/14  |     | 755   | 613,494    |
| Nuveen Investments, Inc.:  |     |       |            |
| Extended Term Loan (First Lien),<br>5.80% – 5.81%, 5/13/17   |     | 2,491 | 2,482,007  |
| Non Extended Term Loan (First Lien), 3.30%, 11/13/14   |     | 1,683 | 1,631,690  |
|  |     |       | 8,016,166  |
| <b>Chemicals — 6.2%</b>  |     |       |            |
| AZ Chem US, Inc., Term Loan B, 6.75%, 11/18/16   |     | 1,781 | 1,799,030  |
| Chemtura Corp., Term Facility, 5.50%, 8/16/16  |     | 2,500 | 2,519,793  |
| General Chemical Corp., Tranche B Term Loan,<br>6.75% – 7.25%, 9/30/15                                   |     | 2,893 | 2,936,141  |
| MacDermid, Inc., Tranche C Term Loan,<br>3.07%, 4/12/14  | EUR | 992   | 1,324,246  |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 8/31/17   | USD | 1,600 | 1,604,667  |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term<br>Facility (First Lien), 3.52% – 3.56%, 7/30/14 |     | 2,503 | 2,462,566  |
| Rockwood Specialties Group, Inc., Term Loan B,<br>3.75%, 2/01/18   |     | 1,952 | 1,973,106  |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17   |     | 1,300 | 1,301,642  |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17   |     | 3,850 | 3,884,650  |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15  |     | 4,375 | 4,411,444  |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17  |     | 3,600 | 3,612,377  |
|  |     |       | 27,829,662 |
| <b>Commercial Banks — 0.9%</b>   |     |       |            |
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15   |     | 3,840 | 3,889,098  |
| <b>Commercial Services &amp; Supplies — 3.2%</b>   |     |       |            |
| AWAS Finance Luxembourg Sarl, Loan,<br>7.75%, 6/10/16  |     | 841   | 863,602    |
| Advanced Disposal Services, Inc., Term Loan (First Lien),<br>6.00%, 1/14/15                              |     | 1,287 | 1,295,044  |

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|   |       |            |
|---|-------|------------|
| Altegrity, Inc., (FKA US Investigators Services, Inc.)                                |       |            |
| Tranche D Term Loan, 7.75%, 2/21/15   | 1,990 | 2,029,800  |
| Casella Waste Systems, Inc., Term Loan B,<br>7.00%, 4/09/14                           |       |            |
|   | 1,504 | 1,503,743  |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16                                     |       |            |
|   | 2,350 | 2,370,142  |
| Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B                                |       |            |
| Dollar Term Loan, 5.25%, 11/24/15   | 1,373 | 1,372,665  |
| Protection One, Inc., Term Loan, 6.00%, 6/04/16                                       |       |            |
|   | 1,169 | 1,171,580  |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16  |       |            |
|   | 1,122 | 1,117,037  |
| Synagro Technologies, Inc., Term Loan (First Lien),<br>2.27%, 4/02/14                 |       |            |
|   | 2,674 | 2,487,208  |
|   |       | 14,210,821 |
| <b>Communications Equipment — 1.5%</b>  |       |            |
| Avaya, Inc., Term Loan B:   |       |            |
| 3.06%, 10/24/14   | 1,742 | 1,688,348  |
| 4.81%, 10/24/17   | 2,764 | 2,707,871  |
| CommScope, Inc., Term Loan B, 5.00%, 1/06/18  |       |            |
|   | 2,500 | 2,536,458  |
|   |       | 6,932,677  |
| <b>Construction &amp; Engineering — 0.3%</b>  |       |            |
| Safway Services, LLC, First Out Tranche Loan,<br>9.00%, 12/18/17                      |       |            |
|   | 1,500 | 1,500,000  |
| <b>Construction Materials — 0.3%</b>  |       |            |
| Fairmount Minerals Ltd., Tranche B Term Loan,<br>6.25% – 6.75%, 8/05/16               |       |            |
|   | 1,355 | 1,369,658  |
| <b>Consumer Finance — 1.5%</b>  |       |            |
| Springleaf Financial Funding Co. (FKA AGFS Funding<br>Co.), Term Loan, 7.25%, 4/21/15 |       |            |
|   | 6,925 | 6,986,632  |
| <b>Containers &amp; Packaging — 0.6%</b>  |       |            |
| Graham Packaging Co., LP:   |       |            |
| Term Loan C, 6.75%, 4/05/14   | 707   | 711,500    |
| Term Loan D, 6.00%, 9/16/16   | 2,194 | 2,211,352  |
|   |       | 2,922,852  |

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (e)</b>                       |     |              |              |
| <b>Diversified Consumer Services — 3.1%</b>                   |     |              |              |
| Coinmach Service Corp., Term Loan,<br>3.26% – 3.31%, 11/14/14 |     |              |              |
|   | USD | 4,802        | \$ 4,501,527 |
| Laureate Education:   |     |              |              |
| Closing Date Term Loan, 3.55%, 8/17/14                        |     |              |              |
|   |     | 2,087        | 2,043,771    |

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|  |     |       |            |
|--|-----|-------|------------|
| Delayed Draw Term Loan, 3.55%, 8/15/14   |     | 313   | 305,980    |
| Series A New Term Loan, 7.00%, 8/15/14   |     | 3,972 | 3,994,774  |
| ServiceMaster Co.:   |     |       |            |
| Closing Date Term Loan, 2.76% – 2.81%, 7/24/14                                       |     | 2,828 | 2,783,707  |
| Delayed Draw Term Loan, 2.77%, 7/24/14   |     | 282   | 277,216    |
|  |     |       | 13,906,975 |
| <b>Diversified Financial Services — 2.0%</b>   |     |       |            |
| MSCI, Inc., Term Loan B, 4.75%, 6/01/16  |     | 1,878 | 1,887,772  |
| Reynolds Group Holdings, Inc., Term Loan E,<br>4.25%, 2/09/18                        |     | 5,047 | 5,073,301  |
| Whitelabel IV SA (Ontex):  |     |       |            |
| Facility B1, 6.75%, 8/11/17  | EUR | 565   | 788,938    |
| Facility B2, 6.75%, 8/11/17  |     | 935   | 1,305,589  |
|  |     |       | 9,055,600  |
| <b>Diversified Telecommunication Services — 2.2%</b>                                 |     |       |            |
| Hawaiian Telcom Communications, Inc., Term Loan,<br>9.00%, 10/28/15                  | USD | 1,901 | 1,933,361  |
| Integra Telecom Holdings, Inc., Term Loan,<br>9.25%, 4/15/15                         |     | 1,592 | 1,611,104  |
| Level 3 Financing, Inc.:   |     |       |            |
| Incremental Tranche A Term Loan, 2.55%, 3/13/14                                      |     | 3,850 | 3,753,750  |
| Term Loan B, 11.50%, 3/13/14   |     | 425   | 455,812    |
| US Telepacific Corp., Term Loan B, 5.75%, 2/18/17                                    |     | 2,025 | 2,036,391  |
|  |     |       | 9,790,418  |
| <b>Electric Utilities — 1.1%</b>   |     |       |            |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17                           |     | 4,834 | 4,880,674  |
| <b>Electronic Equipment, Instruments &amp; Components — 0.9%</b>                     |     |       |            |
| CDW LLC (FKA CDW Corp.):   |     |       |            |
| Extended Term Loan B, 3.51%, 7/15/17   |     | 1,602 | 1,602,049  |
| Non Extended Term Loan, 4.26%, 10/10/14  |     | 2,370 | 2,364,734  |
|  |     |       | 3,966,783  |
| <b>Energy Equipment &amp; Services — 0.3%</b>  |     |       |            |
| MEG Energy Corp., Tranche D Term Loan,<br>6.00%, 4/03/16                             |     | 1,461 | 1,473,889  |
| <b>Food &amp; Staples Retailing — 3.0%</b>   |     |       |            |
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots),<br>Facility B1, 3.58%, 7/09/15 | GBP | 2,925 | 4,582,646  |
| Bolthouse Farms, Inc., Term Loan (First Lien),<br>5.50%, 2/11/16                     | USD | 1,817 | 1,828,145  |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan,                               |     |       |            |

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|  |       |            |
|--|-------|------------|
| 5.25%, 6/30/16   | 3,875 | 3,907,730  |
| Rite Aid Corp., Term Loan B, 6.00%, 7/09/14                                    | 792   | 792,392    |
| U.S. Foodservice, Inc., Term Loan B, 2.76%, 7/03/14                            | 2,703 | 2,609,500  |
|  |       | 13,720,413 |
| <b>Food Products — 4.6%</b>  |       |            |
| Advance Pierre Foods, Term Loan (Second Lien),<br>7.00%, 9/29/16               | 4,319 | 4,348,869  |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18                                   | 8,500 | 8,553,125  |
| Green Mountain Coffee Roasters, Inc., Term Loan B<br>Facility, 5.50%, 11/09/16 | 1,500 | 1,509,845  |
| Michaels Stores, Inc., Term Loan B, 4.25%, 2/28/18                             | 1,739 | 1,751,173  |
| Pinnacle Foods Finance LLC, Tranche D Term Loan,<br>6.00%, 4/02/14             | 2,149 | 2,165,646  |
| Solvest, Ltd. (Dole):  |       |            |
| Tranche B-1 Term Loan, 5.00% – 5.50, 3/02/17                                   | 693   | 697,554    |
| Tranche C-1 Term Loan, 5.00% – 5.50%, 3/02/17                                  | 1,723 | 1,733,998  |
|  |       | 20,760,210 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**Master Senior Floating Rate LLC**  
 (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (e)</b>   |     |              |              |
| <b>Health Care Equipment &amp; Supplies — 0.6%</b>  |     |              |              |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC),  |     |              |              |
| Term Loan, 3.26%, 5/20/14   | USD | 1,149        | \$ 1,139,912 |
| Fresenius SE:   |     |              |              |
| Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14  |     | 1,124        | 1,129,322    |
| Tranche C-2 Term Loan, 4.50%, 9/10/14   |     | 601          | 604,167      |
|   |     |              | 2,873,401    |
| <b>Health Care Providers &amp; Services — 4.2%</b>  |     |              |              |
| CHS/Community Health Systems, Inc.:   |     |              |              |
| Delayed Draw Term Loan, 2.51% – 2.56%, 7/25/14  |     | 186          | 184,533      |
| Extended Term Loan, 3.76% – 3.81%, 1/25/17  |     | 841          | 843,052      |
| Non Extended Term Loan, 2.51% – 2.56%, 7/25/14  |     | 3,612        | 3,582,465    |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/20/16   |     | 1,900        | 1,908,708    |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16  |     | 2,500        | 2,517,840    |
| HCA, Inc., Tranche B2 Term Loan, 3.55%, 3/31/17   |     | 100          | 100,265      |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.):   |     |              |              |
| Term Loan B, 4.75%, 7/31/16   |     | 4,219        | 4,237,858    |
| Term Loan B2, 4.75%, 8/04/16  |     | 217          | 217,614      |
| Term Loan B2, 6.50%, 8/04/16  |     | 433          | 434,958      |
| Renal Advantage Holdings, Inc., Tranche B Term Loan,<br>5.75%, 12/03/16                                   |     | 1,900        | 1,926,125    |
| Vanguard Health Holding Co. II, LLC (Vanguard Health<br>Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 |     | 2,793        | 2,811,450    |
|   |     |              | 18,764,868   |
| <b>Health Care Technology — 1.2%</b>  |     |              |              |
| IMS Health, Inc., Tranche B Dollar Term Loan,<br>5.25%, 2/26/16   |     |              |              |
|   |     | 3,437        | 3,465,697    |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16   |     | 1,900        | 1,914,250    |
|   |     |              | 5,379,947    |
| <b>Hotels, Restaurants &amp; Leisure — 6.7%</b>   |     |              |              |
| Boyd Gaming Corp., Term Loan A, 3.81%, 12/31/15   |     | 1,000        | 987,920      |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/09/17  |     | 3,600        | 3,624,728    |
| Gateway Casinos & Entertainment, Ltd., Term Loan B,<br>6.50% – 7.50%, 5/12/16                             | CAD | 2,244        | 2,320,204    |

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|   |     |        |            |
|---|-----|--------|------------|
| Harrah's Operating Co., Inc.:   |     |        |            |
| Term Loan B-1, 3.30%, 1/28/15   | USD | 500    | 464,236    |
| Term Loan B-2, 3.30%, 1/28/15   |     | 500    | 463,215    |
| Term Loan B-3, 3.30%, 1/28/15   |     | 10,556 | 9,800,871  |
| Term Loan B-4, 9.50%, 10/31/16  |     | 645    | 683,521    |
| Seaworld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term B Loan, 4.00%, 8/17/17 |     |        |            |
|   |     | 3,815  | 3,822,948  |
| Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 5.50%, 6/30/16                     |     |        |            |
|   |     | 3,048  | 3,082,014  |
| Travelport LLC (FKA Travelport, Inc.), Extended Delayed Draw Term Loan, 4.96%, 8/21/15            |     |        |            |
|   |     | 791    | 768,493    |
| Universal City Development Partners Ltd., Term Loan, 5.50%, 11/16/14                              |     |        |            |
|   |     | 1,836  | 1,854,069  |
| VML US Finance LLC (FKA Venetian Macau):  |     |        |            |
| Term B Delayed Draw Project Loan, 4.79%, 5/25/12  |     | 319    | 319,361    |
| Term B Funded Project Loan, 4.79%, 5/27/13  |     | 1,887  | 1,889,548  |
|   |     |        | 30,081,128 |
| <b>Household Durables — 1.0%</b>  |     |        |            |
| Visant Corp. (FKA Jostens), Tranche B Term Loan, 7.00%, 12/20/16                                  |     |        |            |
|   |     | 4,644  | 4,664,783  |
| <b>IT Services — 3.7%</b>   |     |        |            |
| Ceridian Corp., US Term Loan, 3.26%, 11/09/14   |     |        |            |
|   |     | 2,369  | 2,332,835  |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16  |     |        |            |
|   |     | 422    | 425,440    |
| First Data Corp.:   |     |        |            |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14   |     | 3,495  | 3,308,734  |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14   |     | 5,688  | 5,385,054  |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14   |     | 2,424  | 2,294,258  |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/03/18   |     | 2,985  | 3,001,417  |
|   |     |        | 16,747,738 |

|  |     | Par   | Value        |
|--|-----|-------|--------------|
|  |     | (000) |              |
| <b>Floating Rate Loan Interests (e)</b>                        |     |       |              |
| <b>Independent Power Producers &amp; Energy Traders — 0.8%</b> |     |       |              |
| Texas Competitive Electric Holdings Co., LLC (TXU):            |     |       |              |
| Initial Tranche B-2 Term Loan, 3.76% – 3.80%, 10/10/14         |     |       |              |
|  | USD | 3,080 | \$ 2,596,011 |
| Initial Tranche B-3 Term Loan, 3.76% – 3.80%, 10/10/14         |     |       |              |
|  |     | 1,115 | 937,253      |
|  |     |       | 3,533,264    |
| <b>Industrial Conglomerates — 1.2%</b>                         |     |       |              |

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|   |       |           |
|---|-------|-----------|
| Sequa Corp., Term Loan, 3.56%, 12/03/14                 | 1,880 | 1,860,282 |
| Tomkins Plc, Term Loan A, 4.25%, 9/16/16                | 3,453 | 3,481,771 |
|   |       | 5,342,053 |
| <b>Insurance — 0.7%</b>                                 |       |           |
| CNO Financial Group, Inc., Term Loan, 7.50%, 9/30/16    | 3,100 | 3,118,082 |
| <b>Machinery — 0.3%</b>                                 |       |           |
| Navistar Financial Corp., Term Loan B, 4.55%, 12/16/12  | 1,300 | 1,295,125 |
| <b>Marine — 0.2%</b>                                    |       |           |
| Horizon Lines, LLC:                                     |       |           |
| Revolving Loan, 3.31%, 8/08/12                          | 768   | 713,873   |
| Term Loan, 3.31%, 8/08/12                               | 418   | 399,318   |
|   |       | 1,113,191 |
| <b>Media — 16.2%</b>                                    |       |           |
| Acosta, Inc., Term Loan, 4.75%, 2/03/18                 | 2,900 | 2,921,750 |
| Affinion Group, Inc., Tranche B Term Loan:              |       |           |
| 5.00%, 10/09/16   | 1,208 | 1,214,248 |
| 5.00%, 10/31/16   | 1,500 | 1,505,625 |
| Atlantic Broadband Finance, LLC, Term Loan B,           |       |           |
| 5.00%, 11/12/15   | 1,207 | 1,206,271 |
| Bresnan Telecommunications Co. LLC, Term Loan,          |       |           |
| 4.50%, 11/30/17   | 3,825 | 3,848,375 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning): |       |           |
| Term Loan, 2.55%, 7/03/14                               | 4,239 | 4,079,022 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14         | 1,273 | 1,278,335 |
| Charter Communications Operating, LLC:                  |       |           |
| Term Loan B, 7.25%, 3/06/14                             | 559   | 564,058   |
| Term Loan C, 3.56%, 9/06/16                             | 2,035 | 2,039,668 |
| Clarke American Corp., Term Facility B, 2.80%, 6/30/14  | 1,775 | 1,693,586 |
| FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15   | 1,539 | 1,536,486 |
| Getty Images, Inc., Initial Term Loan, 5.25%, 10/29/16  | 3,391 | 3,432,836 |
| HMH Publishing Co., Ltd., Tranche A Term Loan,          |       |           |
| 6.01%, 6/12/14  | 2,714 | 2,577,372 |
| Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson    |       |           |
| Holdings, Ltd.), Tranche B Term Loan, 5.25%, 3/07/18    | 8,500 | 8,557,111 |
| Interactive Data Corp., Term Loan, 4.75%, 2/08/18       | 3,350 | 3,377,517 |
| Knology, Inc., Term Loan B:                             |       |           |
| 5.50%, 9/27/16  | 250   | 252,500   |
| 4.00%, 8/31/17  | 1,450 | 1,459,062 |
| Mediacom Illinois, LLC (FKA Mediacom                    |       |           |
| Communications, LLC), Tranche D Term Loan,              |       |           |
| 5.50%, 3/31/17  | 1,481 | 1,490,508 |



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|   |     |       |            |
|---|-----|-------|------------|
| Newsday, LLC, Floating Rate Term Loan, 6.55%, 8/01/13                               |     | 2,500 | 2,540,625  |
| Nielsen Finance LLC:  |     |       |            |
| Class A Dollar Term Loan, 2.26%, 8/09/13  |     | 67    | 66,523     |
| Class B Dollar Term Loan, 4.01%, 5/01/16  |     | 3,462 | 3,478,093  |
| Sinclair Television Group, Inc., New Tranche B Term Loan,<br>5.50%, 10/29/15        |     | 1,841 | 1,860,852  |
| Springer Science+Business Media SA, Facility A1,<br>6.75%, 7/01/16                  | EUR | 3,400 | 4,738,774  |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment),<br>Term Facility, 5.56%, 6/01/12 | USD | 2,146 | 2,100,469  |
| UPC Broadband Holding B.V., Term U, 4.88%, 12/31/17 EUR                             |     | 1,816 | 2,497,701  |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17    | USD | 3,243 | 3,153,421  |
| Virgin Media Investment Holdings Ltd., Facility B,<br>4.53%, 12/31/15               | GBP | 3,000 | 4,876,500  |
| Weather Channel, Term Loan B, 4.25%, 2/01/17  | USD | 3,100 | 3,128,675  |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3,<br>2.76%, 8/09/11               |     | 1,477 | 1,432,266  |
|   |     |       | 72,908,229 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

Master Senior Floating Rate LLC  
(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Floating Rate Loan Interests (e)</b>  |     |              |            |
| <b>Metals &amp; Mining — 1.4%</b>  |     |              |            |
| Euramax International, Inc., Domestic Term Loan:                               |     |              |            |
| 10.00%, 6/29/13  | USD | 825          | \$ 793,714 |
| 14.00%, 6/29/13  |     | 803          | 772,760    |
| Novelis Corp., Term Loan, 5.25%, 12/01/16                                      |     | 4,700        | 4,755,394  |
|  |     |              | 6,321,868  |
| <b>Multi-Utilities — 0.0%</b>  |     |              |            |
| Mach Gen, LLC, Synthetic Letter of Credit Loan<br>(First Lien), 0.05%, 2/22/13 |     |              |            |
|  |     | 69           | 63,811     |
| <b>Multiline Retail — 1.0%</b>   |     |              |            |
| Hema Holding BV:   |     |              |            |
| Facility B, 2.91%, 7/06/15   | EUR | 861          | 1,177,863  |
| Facility C, 3.66%, 7/05/16   |     | 861          | 1,177,863  |
| The Neiman Marcus Group, Inc., Tranche B-2 Term Loan,<br>4.30%, 4/06/16        | USD | 2,112        | 2,121,572  |
|  |     |              | 4,477,298  |
| <b>Oil, Gas &amp; Consumable Fuels — 0.4%</b>                                  |     |              |            |
| EquiPower Resources Holdings, LLC, Term Loan B,<br>5.75%, 1/11/18              |     |              |            |
|  |     | 1,800        | 1,813,500  |
| <b>Paper &amp; Forest Products — 0.0%</b>                                      |     |              |            |
| Georgia-Pacific LLC, Term Loan B, 2.30%, 12/23/12                              |     |              |            |
|  |     | 2            | 1,982      |
| <b>Personal Products — 0.8%</b>  |     |              |            |
| NBTY, Inc., Term Loan B:   |     |              |            |
| 6.25%, 9/20/17   |     | 1,800        | 1,818,374  |
| 4.75%, 10/01/17  |     | 1,750        | 1,750,000  |
|  |     |              | 3,568,374  |
| <b>Pharmaceuticals — 1.1%</b>  |     |              |            |
| Axcan Intermediate Holdings, Inc., Term Loan,<br>5.50%, 2/03/17                |     |              |            |
|  |     | 1,800        | 1,804,500  |
| Warner Chilcott Corp.:   |     |              |            |
| Additional Term Loan Corp. B-3, 6.25%, 4/30/15                                 |     | 769          | 773,931    |
| Delayed Draw Term Loan B, 6.25%, 4/30/15                                       |     | 554          | 557,513    |
| Term Loan A, 6.00%, 10/30/14   |     | 1,284        | 1,284,934  |
| Term Loan B-1, 6.25%, 4/30/15  |     | 333          | 334,872    |

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|  |       |           |
|--|-------|-----------|
| Term Loan B-3, 6.50%, 2/20/16  | 143   | 144,236   |
|  |       | 4,899,986 |
| <b>Professional Services — 1.3%</b>  |       |           |
| Booz Allen Hamilton, Inc., Tranche B Term Loan, 4.00%, 8/01/17                   | 3,625 | 3,659,437 |
| Fifth Third Processing Solutions, LLC, Term Loan B (First Lien), 5.50%, 10/21/16 | 2,200 | 2,217,050 |
|  |       | 5,876,487 |
| <b>Real Estate Management &amp; Development — 1.6%</b>                           |       |           |
| Mattamy Funding Partnership, Term Loan, 2.56%, 4/11/13                           | 387   | 369,884   |
| Realogy Corp.:<br>Term Loan B, 4.56%, 10/16/16                                   | 6,818 | 6,538,538 |
| Term Loan C, 4.51%, 10/16/16   | 355   | 340,482   |
|  |       | 7,248,904 |
| <b>Road &amp; Rail — 0.2%</b>  |       |           |
| Transtar Industries, Term Loan (First Lien), 6.25%, 12/07/16                     | 800   | 812,000   |
| <b>Semiconductors &amp; Semiconductor Equipment — 0.7%</b>                       |       |           |
| Freescale Semiconductor, Inc., Term Loan B, 4.51%, 12/01/16                      | 1,299 | 1,296,294 |
| Microsemi Corp., Term Loan B, 5.00%, 10/25/17                                    | 1,700 | 1,704,250 |
|  |       | 3,000,544 |
| <b>Software — 0.8%</b>   |       |           |
| Rovi Corp., Term Loan B, 4.00%, 2/01/18  | 1,250 | 1,262,500 |
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16                          | 1,186 | 1,192,684 |
| Vertafore, Inc., New Term Loan B, 5.25%, 7/29/16                                 | 1,075 | 1,083,062 |
|  |       | 3,538,246 |

|  | Par       | (000) Value  |
|--|-----------|--------------|
| <b>Floating Rate Loan Interests (e)</b>                              |           |              |
| <b>Specialty Retail — 2.9%</b>                                       |           |              |
| Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/18/17 | USD 1,000 | \$ 1,003,335 |
| Gymboree Corp., Term Loan B, 5.00%, 2/11/18                          | 1,750     | 1,755,250    |
| J. Crew Group, Inc., Term Loan B, 5.25%, 2/01/18                     | 3,450     | 3,450,000    |
| Michaels Stores, Inc., Term Loan B-2, 4.81% – 4.87%, 7/31/16         | 963       | 970,387      |
| Petco Animal Supplies, Inc., Term Loan B, 4.75%, 11/24/17            | 3,300     | 3,300,000    |
| Toys 'R' Us Delaware, Inc., Initial Loan, 6.00%, 8/17/16             | 2,726     | 2,746,322    |

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|   |                   |               |
|---|-------------------|---------------|
|   |                   | 13,225,294    |
| <b>Textiles, Apparel &amp; Luxury Goods — 0.3%</b>                        |                   |               |
| Philips Van Huesen Corp., US Tranche B Term Loan,<br>5.25%, 5/06/16       | 1,317             | 1,320,991     |
| <b>Total Floating Rate Loan Interests — 88.6%</b>                         |                   | 399,118,887   |
|   | <b>Beneficial</b> |               |
|   | <b>Interest</b>   |               |
|   | <b>(000)</b>      |               |
| <b>Other Interests (f)</b>  |                   |               |
| <b>Diversified Financial Services — 0.4%</b>                              |                   |               |
| J.G. Wentworth LLC Preferred Equity Interests (g)                         | 1                 | 2,022,221     |
| <b>Total Other Interests — 0.4%</b>                                       |                   | 2,022,221     |
|   | <b>Shares</b>     |               |
| <b>Warrants (h)</b>   |                   |               |
| <b>Media — 0.0%</b>   |                   |               |
| New Vision Holdings LLC:<br>(Expires 9/30/14)                             | 7,419             | 74            |
| (Expires 9/30/14)   | 41,217            | 412           |
| <b>Total Warrants — 0.0%</b>  |                   | 486           |
| <b>Total Long-Term Investments</b>  |                   |               |
| <b>(Cost — \$463,120,768) — 100.7%</b>                                    |                   | 453,962,685   |
| <b>Short-Term Securities</b>  |                   |               |
| BlackRock Liquidity Funds, TempFund, Institutional<br>Class, 0.15% (i)(j) | 47,230,155        | 47,230,155    |
| <b>Total Short-Term Securities</b>  |                   |               |
| <b>(Cost — \$47,230,155) — 10.5%</b>                                      |                   | 47,230,155    |
| <b>Total Investments (Cost — \$510,350,923*) — 111.2%</b>                 |                   | 501,192,840   |
| <b>Liabilities in Excess of Other Assets — (11.2)%</b>                    |                   | (50,520,804)  |
| <b>Net Assets — 100.0%</b>  |                   | \$450,672,036 |

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes, were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 505,669,750 |
| Gross unrealized appreciation | \$ 12,071,513  |
| Gross unrealized depreciation | (16,548,423)   |
| Net unrealized depreciation   | \$ (4,476,910) |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

### Master Senior Floating Rate LLC

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Convertible security.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (g) The investment is held by a wholly owned taxable subsidiary of the Master LLC.
- (h) Warrants entitle the Master LLC 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, if any.
- (i) Investments in companies considered to be an affiliate of the Master LLC during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31, 2010 | Net<br>Activity | Shares Held at<br>February 28, 2011 | Income   |
|--|-----------------------------------|-----------------|-------------------------------------|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 23,631,517                        | 23,598,638      | 47,230,155                          | \$23,199 |

- (j) Represents the current yield as of report date.

•Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty              | Settlement<br>Date | Unrealized<br>Depreciation |
|-----------------------|------------------|---------------------------|--------------------|----------------------------|
| USD 2,808,329         | CAD 2,784,500    | Citibank NA               | 4/14/11            | \$ (54,881)                |
| USD 762,450           | GBP 472,500      | Deutsche Bank AG          | 4/14/11            | (5,350)                    |
| USD 7,074,055         | GBP 4,534,500    | Citibank NA               | 4/14/11            | (294,384)                  |
| USD 13,602,662        | EUR 9,945,000    | Royal Bank<br>of Scotland | 4/27/11            | (111,099)                  |
| <b>Total</b>          |                  |                           |                    | <b>\$ (465,714)</b>        |

•For Master LLC compliance purposes, the Master LLC's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Master LLC management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- 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 Master LLC's own assumptions used in determining the fair value of investments and derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Master LLC's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Master LLC's investments and derivatives:

| Valuation Inputs                                    | Level 1      | Level 2       | Level 3      | Total        |               |
|---|--------------|---------------|--------------|--------------|---------------|
| <b>Assets:</b>                                      |              |               |              |              |               |
| Investments in                                      |              |               |              |              |               |
| Securities:   |              |               |              |              |               |
| Long-Term   |              |               |              |              |               |
| Investments:  |              |               |              |              |               |
| Common Stocks .                                     |              | —             | \$ 1,242,664 | \$ 15,290    | \$1,257,954   |
| Corporate Bonds                                     |              | —             | 48,871,556   | 2,691,581    | 51,563,137    |
| Floating Rate                                       |              |               |              |              |               |
| Loan Interests .                                    |              | —             | 364,737,402  | 34,381,485   | 399,118,887   |
| Other Interests                                     |              | —             | —            | 2,022,221    | 2,022,221     |
| Warrants  |              | —             | —            | 486          | 486           |
| Short Term  |              |               |              |              |               |
| Securities  | \$47,230,155 | —             | —            | —            | 47,230,155    |
| Unfunded Loan                                       |              |               |              |              |               |
| Commitments   |              | —             | 95,389       | —            | 95,389        |
| <b>Liabilities:</b>                                 |              |               |              |              |               |
| Unfunded Loan                                       |              |               |              |              |               |
| Commitments   |              | —             | —            | (3,318)      | (3,318)       |
| <b>Total</b>  | \$47,230,155 | \$414,947,011 |              | \$39,107,745 | \$501,284,911 |
| <b>Derivative Financial Instruments<sup>1</sup></b> |              |               |              |              |               |

| Valuation Inputs                    | Level 1 | Level 2      | Level 3 | Total        |
|-------------------------------------|---------|--------------|---------|--------------|
| <b>Liabilities:</b>                 |         |              |         |              |
| Foreign currency exchange contracts | —       | \$ (465,714) | —       | \$ (465,714) |

<sup>1</sup> Derivative financial instruments are foreign currency exchange contracts.

Foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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## Schedule of Investments (concluded) Master Senior Floating Rate LLC

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Common<br>Stocks | Corporate<br>Bonds  | Floating<br>Rate<br>Interests | Other<br>Loan<br>Interests | Warrants      | Total                |
|---|------------------|---------------------|-------------------------------|----------------------------|---------------|----------------------|
| <b>Assets:</b>  |                  |                     |                               |                            |               |                      |
| Balance, as of August 31, 2010                                  | \$ 15,290        | \$ 5,963,527        | \$ 48,595,625                 | \$ 2,022,221               | \$ 486        | \$ 56,597,149        |
| Accrued discounts/premiums                                      | —                | 102,408             | 264,686                       | —                          | —             | 367,094              |
| Net realized gain (loss)  | —                | 963,249             | 92,694                        | —                          | —             | 1,055,943            |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | —                | 560,730             | 1,874,032                     | —                          | —             | 2,434,762            |
| Purchases   | —                | 59,188              | 23,453,984                    | —                          | —             | 23,513,172           |
| Sales   | —                | (4,957,521)         | (41,785,384)                  | —                          | —             | (46,742,905)         |
| Transfers in <sup>3</sup>                                       | —                | —                   | 10,564,547                    | —                          | —             | 10,564,547           |
| Transfers out <sup>3</sup>                                      | —                | —                   | (8,678,699)                   | —                          | —             | (8,678,699)          |
| <b>Balance as of February 28, 2011</b>                          | <b>\$ 15,290</b> | <b>\$ 2,691,581</b> | <b>\$ 34,381,485</b>          | <b>\$ 2,022,221</b>        | <b>\$ 486</b> | <b>\$ 39,111,063</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in the unrealized appreciation/depreciation on securities still held on February 28, 2011 was \$735,928.

<sup>3</sup> The Master LLC's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Unfunded Loan<br>Commitments |
|---|------------------------------|
| <b>Liabilities:</b>   |                              |
| Balance, as of August 31, 2010                                  | \$ (142,101)                 |
| Accrued discounts/premiums                                      | —                            |
| Net realized gain (loss)  | —                            |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 138,783                      |
| Purchases   | —                            |
| Sales   | —                            |
| Transfers in <sup>5</sup>                                       | —                            |
| Transfers out <sup>5</sup>                                      | —                            |
| <b>Balance as of February 28, 2011</b>                          | <b>\$ (3,318)</b>            |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in the unrealized appreciation/depreciation on securities still held on February 28, 2011 was \$138,783.

<sup>5</sup> The Master LLC's policy is to recognize transfers in and transfers out as of the



end of the period of the event or the change in circumstances that caused the transfer.

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## Statement of Assets and Liabilities Master Senior Floating Rate LLC

| <b>February 28, 2011 (Unaudited)</b>                           |                       |
|--|-----------------------|
| <b>Assets</b>  |                       |
| Investments at value — unaffiliated (cost — \$463,120,768)     | \$ 453,962,685        |
| Investments at value — affiliated (cost — \$47,230,155)        | 47,230,155            |
| Unrealized appreciation on unfunded loan commitments           | 95,389                |
| Foreign currency at value — (cost — \$1,509,278)               | 1,531,372             |
| Investments sold receivable                                    | 13,467,516            |
| Interest receivable  | 2,762,615             |
| Contributions receivable from investors                        | 812,675               |
| Principal paydowns receivable                                  | 5,632                 |
| Commitment fees receivable                                     | 3,227                 |
| Prepaid expenses   | 15,895                |
| Other assets   | 116                   |
| <b>Total assets</b>  | <b>519,887,277</b>    |
| <b>Liabilities</b>   |                       |
| Unrealized depreciation on foreign currency exchange contracts | 465,714               |
| Unrealized depreciation on unfunded loan commitments           | 3,318                 |
| Investments purchased payable                                  | 68,101,287            |
| Investment advisory fees payable                               | 324,253               |
| Deferred income  | 174,078               |
| Other affiliates payable                                       | 3,600                 |
| Directors' fees payable  | 489                   |
| Other accrued expenses payable                                 | 142,502               |
| <b>Total liabilities</b>                                       | <b>69,215,241</b>     |
| <b>Net Assets</b>  | <b>\$ 450,672,036</b> |
| <b>Net Assets Consist of</b>                                   |                       |
| Investors' capital   | \$ 460,178,725        |
| Net unrealized appreciation/depreciation                       | (9,506,689)           |
| <b>Net Assets</b>  | <b>\$ 450,672,036</b> |

See Notes to Financial Statements.

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## Statement of Operations Master Senior Floating Rate LLC

| Six Months Ended February 28, 2011 (Unaudited)              |                      |
|---|----------------------|
| <b>Investment Income</b>                                    |                      |
| Interest  | \$ 12,665,823        |
| Facility and other fees                                     | 329,100              |
| Dividends — affiliated                                      | 23,199               |
| Total income  | 13,018,122           |
| <b>Expenses</b>   |                      |
| Investment advisory   | 2,103,830            |
| Professional  | 81,357               |
| Accounting services   | 58,119               |
| Custodian   | 26,190               |
| Directors   | 22,286               |
| Transfer agent  | 8,413                |
| Printing  | 3,401                |
| Miscellaneous   | 1,200                |
| Total expenses  | 2,304,796            |
| Less fees waived by advisor                                 | (8,321)              |
| Total expenses after fees waived                            | 2,296,475            |
| Net investment income                                       | 10,721,647           |
| <b>Realized and Unrealized Gain (Loss)</b>                  |                      |
| Net realized gain (loss) from:                              |                      |
| Investments   | 4,912,157            |
| Foreign currency transactions                               | (1,609,103)          |
|   | 3,303,054            |
| Net change in unrealized appreciation/depreciation on:      |                      |
| Investments   | 15,818,772           |
| Foreign currency transactions                               | (384,173)            |
| Unfunded loan commitments                                   | 234,172              |
|   | 15,668,771           |
| Total realized and unrealized gain                          | 18,971,825           |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 29,693,472</b> |

## Statements of Changes in Net Assets Master Senior Floating Rate LLC

|  | Six Months Ended |            |
|--|------------------|------------|
|  | February 28,     | Year Ended |
|  | 2011             | August 31, |

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| Increase (Decrease) in Net Assets:                           | (Unaudited)    | 2010          |
|--|----------------|---------------|
| <b>Operations</b>  |                |               |
| Net investment income  | \$ 10,721,647  | \$ 24,058,880 |
| Net realized gain (loss)                                     | 3,303,054      | (24,674,495)  |
| Net change in unrealized appreciation/depreciation           | 15,668,771     | 51,531,816    |
| Net increase in net assets resulting from operations         | 29,693,472     | 50,916,201    |
| <b>Capital Transactions</b>                                  |                |               |
| Proceeds from contributions                                  | 18,507,852     | 35,429,443    |
| Value of withdrawals   | (47,916,468)   | (99,242,421)  |
| Net decrease in net assets derived from capital transactions | (29,408,616)   | (63,812,978)  |
| <b>Net Assets</b>  |                |               |
| Total increase (decrease) in net assets                      | 284,856        | (12,896,777)  |
| Beginning of period  | 450,387,180    | 463,283,957   |
| End of period  | \$ 450,672,036 | 450,387,180   |

See Notes to Financial Statements.

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## Statement of Cash Flows Master Senior Floating Rate LLC

### Six Months Ended February 28, 2011 (Unaudited)

#### Cash Provided by Operating Activities

|   |               |
|---|---------------|
| Net increase in net assets resulting from operations  | \$ 29,693,472 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |               |
| Decrease in interest receivable   | 1,277,652     |
| Increase in other assets  | (116)         |
| Increase in commitment fees receivable  | (55)          |
| Decrease in investment advisory fees payable  | (35,994)      |
| Increase in other affiliates payable  | 2,180         |
| Decrease in other liabilities   | (19,041)      |
| Decrease in other accrued expenses payable  | (67,474)      |
| Decrease in Directors' fees payable   | (11)          |
| Net realized and unrealized loss on investments   | (20,310,456)  |
| Amortization of premium and accretion of discount on investments  | (1,969,537)   |
| Paid-in-kind income   | (155,037)     |
| Proceeds from sales and paydowns of long-term investments   | 292,071,722   |
| Purchases of long-term investments  | (246,762,545) |
| Net sales of short-term securities  | (23,107,159)  |
| Cash provided by operating activities   | 30,617,601    |

#### Cash Used for Financing Activities

|                                    |              |
|------------------------------------|--------------|
| Cash receipts from contributions   | 18,673,960   |
| Cash payments on withdrawals       | (47,916,468) |
| Cash used for financing activities | (29,242,508) |

#### Cash Impact from Foreign Exchange Fluctuations

|  |        |
|--|--------|
| Cash impact from foreign exchange fluctuations | 25,133 |
|--|--------|

#### Cash

|  |              |
|--|--------------|
| Net increase in cash                             | 1,400,226    |
| Cash and foreign currency at beginning of period | 131,146      |
| Cash and foreign currency at end of period       | \$ 1,531,372 |

See Notes to Financial Statements.

## Financial Highlights Master Senior Floating Rate LLC

| Six Months<br>Ended<br>February 28,                             | 2011               | Year Ended August 31, |            |            |            |            |
|---|--------------------|-----------------------|------------|------------|------------|------------|
|   | (Unaudited)        | 2010                  | 2009       | 2008       | 2007       | 2006       |
| <b>Total Investment Return</b>                                  |                    |                       |            |            |            |            |
| Total investment return   | 6.90% <sup>1</sup> | 11.67%                | (4.23)%    | (1.08)%    | 3.49%      | 5.37%      |
| <b>Ratios to Average Net Assets</b>                             |                    |                       |            |            |            |            |
| Total expenses  | 1.04% <sup>2</sup> | 1.08%                 | 1.05%      | 1.04%      | 1.04%      | 1.04%      |
| Total expenses after fees waived                                | 1.04% <sup>2</sup> | 1.07%                 | 1.05%      | 1.04%      | 1.04%      | 1.04%      |
| Total expenses after fees waived and excluding interest expense | 1.04% <sup>2</sup> | 1.07%                 | 1.04%      | 1.04%      | 1.02%      | 1.03%      |
| Net investment income   | 4.84% <sup>2</sup> | 5.29%                 | 6.44%      | 6.41%      | 7.07%      | 6.22%      |
| <b>Supplemental Data</b>  |                    |                       |            |            |            |            |
| Net assets, end of year (000)                                   | \$ 450,672         | \$ 450,387            | \$ 463,284 | \$ 588,748 | \$ 758,328 | \$ 925,910 |
| Portfolio turnover  | 63%                | 108%                  | 47%        | 56%        | 46%        | 54%        |
| Average loan outstanding during the year (000)                  | —                  | \$ 1,044              | \$ 420     | —          | \$ 2,255   | \$ 1,932   |
| <sup>1</sup> Aggregate total investment return.                 |                    |                       |            |            |            |            |
| <sup>2</sup> Annualized.  |                    |                       |            |            |            |            |

See Notes to Financial Statements.

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## Notes to Financial Statements (Unaudited)

### Master Senior Floating Rate LLC

#### 1. Organization and Significant Accounting Policies:

Master Senior Floating Rate LLC (the "Master LLC") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and is organized as a Delaware limited liability company. The Limited Liability Company Agreement permits the Board of Directors (the "Board") to issue non transferable interests in the Master LLC, subject to certain limitations. The Master LLC's 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 and disclosures in the financial statements. Actual results could differ from those estimates.

On September 2, 2010, the Board of each of Senior Floating Rate and Senior Floating Rate II (the "Senior Floating Rate Funds") and on September 17, 2010 the Board of Trustees of BlackRock Funds II approved the reorganization of each Senior Floating Rate Fund into the BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds II, with the BlackRock Floating Rate Income Portfolio being the surviving fund (the "Reorganizations").

Each Senior Floating Rate Fund is a "feeder" fund that invests all of its assets in the Master LLC. In connection with the Reorganizations, the Board of the Master LLC approved the liquidation and dissolution of the Master LLC and the distribution of its assets.

The following is a summary of significant accounting policies followed by the Master LLC:

Valuation: US GAAP defines fair value as the price the Master LLC would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Master LLC fair values its financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The Master LLC values its 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. Investments in open-end registered investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at

amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ("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 price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

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.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued 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 investment advisor and/or the sub-advisor seeks to determine the price that the Master LLC 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 investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

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 Master LLC's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the investment advisor using a pricing service and/or policies approved by the Board.

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



The Master LLC reports 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.

Floating Rate Loan Interests: The Master LLC may invest in floating rate loan interests. The floating rate loan interests the Master LLC holds 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

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## Notes to Financial Statements (continued)

### Master Senior Floating Rate LLC

companies that are highly leveraged. The Master LLC 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 LIBOR (London Inter Bank Offered Rate), 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 Master LLC considers these investments to be investments in debt securities for purposes of its investment policies.

When the Master LLC buys 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 Master LLC may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. The Master LLC earns and/or pays facility and other fees on floating rate loan interests, which are shown as facility and other fees in the Statement of Operations. 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 Master LLC upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Master LLC 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 Master LLC 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 Master LLC having a contractual relationship only with the lender, not with the borrower. The Master LLC 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 Master LLC 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 Master LLC may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Master LLC will assume the credit risk of both the borrower and the lender that is selling the Participation. The Master LLC's 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 Master LLC may be treated as general creditors of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Master LLC having a direct contractual relationship with the borrower, and the Master LLC may enforce compliance by the borrower with the terms of the loan agreement.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC") require that the Master LLC either delivers collateral or segregates assets in connection with certain investments (e.g., foreign currency exchange contracts), the Master LLC 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 other 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, each party has requirements to deliver/deposit securities 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 Master LLC is informed of the ex-dividend date. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis. Consent fees are compensation for agreeing to changes in the terms of debt instruments and are included in facility and other fees in the Statement of Operations.

**Income Taxes:** The Master LLC is classified as a partnership for federal income tax purposes. As such, each investor in the Master LLC is treated as the owner of its proportionate share of net assets, income, expenses and realized and unrealized gains and losses of the Master LLC. Therefore, no federal income tax provision is required. It is intended that the Master LLC's assets will be managed so an investor in the Master LLC can satisfy the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended.

The Master LLC files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Master LLC's US federal tax returns remains open for each of the four years ended August 31, 2010. The statutes of limitations on the Master LLC's 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.

**Other:** Expenses directly related to the Master LLC are charged to the Master LLC. 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 Master LLC has 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 Statement 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.

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## Notes to Financial Statements (continued)

### Master Senior Floating Rate LLC

#### 2. Derivative Financial Instruments:

The Master LLC engages in various portfolio investment strategies using derivative contracts both to increase the returns of the Master LLC and to economically hedge, or protect, its exposure to certain risks such as credit risk and foreign currency exchange rate risk. These contracts may be transacted on an exchange or over-the-counter ("OTC").

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Master LLC's maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty.

The Master LLC may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement implemented between the Master LLC and each of its respective counterparties. The ISDA Master Agreement allows the Master LLC to offset with each separate counterparty certain derivative financial instrument's payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Master LLC from its counterparties are not fully collateralized contractually or otherwise, the Master LLC bears the risk of loss from counterparty non-performance. See Note 1 "Segregation and Collateralization" for information with respect to collateral practices. In addition, the Master LLC manages counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor its obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Master LLC's net assets decline by a stated percentage or the Master LLC fails to meet the terms of its ISDA Master Agreements, which would cause the Master LLC to accelerate payment of any net liability owed to the counterparty.

**Foreign Currency Exchange Contracts:** The Master LLC enters into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to 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. Foreign currency exchange contracts,

when used by the Master LLC, help to manage the overall exposure to the currency backing some of the investments held by the Master LLC. The contract is marked-to-market daily and the change in market value is recorded by the Master LLC as an unrealized gain or loss. When the contract is closed, the Master LLC records 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 and the risk that a counterparty to the contract does not perform its obligations under the agreement.

| <b>Derivative Instruments Categorized by Risk Exposure</b>                 |  |                                      |
|--|--|--------------------------------------|
| <b>Fair Values of Derivative Instruments as of February 28, 2011</b>       |  |                                      |
|  | <b>Liability Derivatives</b>           |                                      |
|  | <b>Statement of Assets</b>             |                                      |
|  | <b>and Liabilities Location</b>        | <b>Value</b>                         |
|  | Unrealized depreciation                |                                      |
| Foreign currency exchange contracts  | on foreign currency exchange contracts | \$ 465,714                           |
| <b>The Effect of Derivative Instruments in the Statement of Operations</b> |  |                                      |
| <b>Six Months Ended February 28, 2011</b>                                  |  |                                      |
| <b>Net Realized Loss from</b>  |  |                                      |
|  |  | <b>Foreign Currency Transactions</b> |
| Foreign currency exchange contracts  |  | \$ (1,576,013)                       |
| <b>Net Change in Unrealized Appreciation/Depreciation on</b>               |  |                                      |
|  |  | <b>Foreign Currency Transactions</b> |
| Foreign currency exchange contracts  |  | \$ (396,808)                         |

For the six months ended February 28, 2011, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  |  |              |
|--|--|--------------|
| Foreign currency exchange contracts:               |  |              |
| Average number of contracts — US dollars purchased |  | 5            |
| Average number of contracts — US dollars sold      |  | 1            |
| Average US dollar amounts purchased                |  | \$27,210,566 |
| Average US dollar amounts sold                     |  | \$ 1,764,454 |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") are the largest

stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate of the Master LLC for 1940 Act purposes, but BAC and Barclays are not.

The Master LLC, entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the "Manager"), the Master LLC's investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for

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## Notes to Financial Statements (concluded)

### Master Senior Floating Rate LLC

the management of the Master LLC's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Master LLC. For such services, the Master LLC pays the Manager a monthly fee at an annual rate of 0.95% of the Master LLC's average daily net assets.

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees the Master LLC 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 through the Master LLC's investment in other affiliated investment companies, if any. This amount is shown as fees waived by advisor in the Statement of Operations.

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 the Master LLC to the Manager.

For the six months ended February 28, 2011, the Master LLC reimbursed the Manager \$4,580 for certain accounting services, which are included in accounting services in the Statement of Operations.

Certain officers and/or directors of the Master LLC are officers and/or directors of BlackRock or its affiliates.

#### 4. Investments:

Purchases and sales of investments including paydowns and excluding short-term securities for the six months ended February 28, 2011, were \$280,936,066 and \$292,119,631, respectively.

#### 5. Commitments:

The Master LLC may invest in floating rate loan interests. In connection with these investments, the Master LLC may also enter into unfunded loan commitments ("commitments"). Commitments may obligate the Master LLC to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Master LLC earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statement of Operations as facility and other fees, is recognized ratably over the commitment period. As of February 28, 2011, the Master LLC had the following unfunded loan commitments:



| <b>Borrower</b>      | <b>Unfunded<br/>Commitment</b> | <b>Underlying<br/>Loan</b> | <b>Value of</b> |
|----------------------|--------------------------------|----------------------------|-----------------|
| Axcan                | \$ 892,697                     |                            | \$ 900,000      |
| Delta Airlines, Inc. | \$3,261,914                    |                            | \$3,350,000     |
| Horizon Lines, LLC   | \$ 292,051                     |                            | \$ 288,733      |

#### 6. Market and Credit Risk:

In the normal course of business, the Master LLC invests in securities and enters 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 Master LLC may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Master LLC; 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 Master LLC may be exposed to counterparty credit risk, or the risk that an entity with which the Master LLC has unsettled or open transactions may fail to or be unable to perform on its commitments. The Master LLC manages 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 Master LLC to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Master LLC's exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Master LLC's Statement of Assets and Liabilities, less any collateral held by the Master LLC.

#### 7. Borrowings:

The Master LLC, along with certain other funds managed by the Manager and its affiliates, is a party to a \$500 million credit agreement with a group of lenders, which expired in November 2010. The Master LLC may borrow under the credit agreement to fund shareholder redemptions. Effective November 2009, the credit agreement had the following terms: 0.02% upfront fee on the aggregate commitment amount which was allocated to the Master LLC based on its net assets as of October 31, 2009, a commitment fee of 0.10% per annum based on the Master LLC's pro rata share of the unused portion of the credit agreement and interest at a rate equal to the higher of (a) the one-month LIBOR plus 1.25% per annum and (b) the Fed Funds rate plus 1.25% per annum on amounts borrowed. In addition, the Master LLC paid administration and arrangement fees which were allocated to the Master LLC based on its net assets as of October 31, 2009. Effective November 2010, the credit agreement was renewed until November 2011 with the following terms: a commitment fee of 0.08% per

annum based on the Master LLC's pro rata share of the unused portion of the credit agreement and interest at a rate equal to the higher of (a) the one-month LIBOR plus 1.00% per annum and (b) the Fed Funds rate plus 1.00% per annum on amounts borrowed. In addition, the Master LLC paid administration and arrangement fees which were allocated to the Master LLC based on its net assets as of October 31, 2010. The Master LLC did not borrow under the credit agreement during the six months ended February 28, 2011.

8. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Master LLC's Financial statements was completed through the date the Financial Statements were issued and the following items were noted:

As described in Note 1, pursuant to the Reorganization, on March 21, 2011, Floating Rate Income Portfolio acquired all of the assets and certain stated liabilities of the Senior Floating Rate Funds. In connection with the Reorganizations, the Master LLC distributed its assets and will be dissolved.

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## Officers and Directors

Richard E. Cavanagh, Chairman of the Board and Director  
Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Director  
Richard S. Davis, Director  
Frank J. Fabozzi, Director and Member of the Audit Committee  
Kathleen F. Feldstein, Director  
James T. Flynn, Director and Member of the Audit Committee  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director and Member of the Audit Committee  
John M. Perlowski, President and Chief Executive Officer  
Brendan Kyne, Vice President  
Anne F. Ackerley, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer  
Ira Shapiro, Secretary

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisor**

BlackRock Financial  
Management, Inc.  
New York, NY 10055

### **Custodians**

State Street Bank  
and Trust Company<sup>1</sup>  
Boston, MA 02111

The Bank of New York Mellon<sup>2</sup>  
New York, NY 10286

### **Transfer Agents**

Common Shares  
Computershare Trust Company, N.A.<sup>1</sup>  
Providence, RI 02940

BNY Mellon Shareowner Services<sup>2</sup>  
Jersey City, NJ 07310

### **Accounting Agent**

State Street Bank  
and Trust Company

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Princeton, NJ 08540

## Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
Princeton, NJ 08540

## Legal Counsel

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

## Address of the Funds

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>1</sup> For BHL, DVF, FRA, and BLW.

<sup>2</sup> For Senior Floating Rate and  
Senior Floating Rate II.

Effective February 11, 2011, John M. Perlowski became  
President and Chief Executive Officer of the Funds and  
Master LLC.

Effective November 10, 2010, Ira Shapiro became  
Secretary of the Funds and Master LLC.

## Additional Information

### Section 19(a) Notices

These reported amounts and sources of distributions are estimates and are not provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment results during the year and may be subject to changes based on tax regulations. Each Fund will provide a Form 1099-DIV for the calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

### February 28, 2011

|      | Net     | Total Cumulative Distributions for the Fiscal Year-to-Date |                   | % Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date |                       |                            |                   |                        |
|------|---------|--|-------------------|---|-----------------------|----------------------------|-------------------|------------------------|
|      |         | Net Realized   | Return of Capital | Total Per Common Share  | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |
| DVF. | \$0.381 | —  | —                 | \$0.381   | 100%                  | 0%                         | 0%                | 100%                   |
| FRA  | \$0.462 | —  | —                 | \$0.462   | 100%                  | 0%                         | 0%                | 100%                   |

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Each Fund estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in a Fund is returned to the shareholder. A return of capital does not necessarily reflect a Fund's investment performance and should not be confused with 'yield' or 'income.'

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## Additional Information (continued)

### Proxy Results

The Annual Meeting of Shareholders was held on September 2, 2010 for shareholders of record on July 6, 2010, to elect trustee/director nominees for each Trust/Fund. There were no broker non-votes with regard to any of the Trusts/Funds.

Approved the Class III Trustees as follows:

|     | Richard E. Cavanagh |          |         | Kathleen F. Feldstein |          |         | Henry Gabbay |          |         |
|-----|---------------------|----------|---------|-----------------------|----------|---------|--------------|----------|---------|
|     | Votes               |          |         | Votes                 |          |         | Votes        |          |         |
|     | Votes For           | Withheld | Abstain | Votes For             | Withheld | Abstain | Votes For    | Withheld | Abstain |
| BHL | 8,356,414           | 153,402  | 0       | 8,369,170             | 140,646  | 0       | 8,425,441    | 84,375   | 0       |
| BLW | 30,396,066          | 528,597  | 0       | 30,370,793            | 553,870  | 0       | 30,328,211   | 596,452  | 0       |
|     | Jerrold B. Harris   |          |         |                       |          |         |              |          |         |
|     | Votes               |          |         |                       |          |         |              |          |         |
|     | Votes For           | Withheld | Abstain |                       |          |         |              |          |         |
| BHL | 8,365,232           | 144,584  | 0       |                       |          |         |              |          |         |
| BLW | 30,392,430          | 532,233  | 0       |                       |          |         |              |          |         |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Richard S. Davis, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

Approved the Directors as follows:

|     | Richard E. Cavanagh   |          |         | Richard S. Davis |          |         | Frank J. Fabozzi |          |         |
|-----|-----------------------|----------|---------|------------------|----------|---------|------------------|----------|---------|
|     | Votes                 |          |         | Votes            |          |         | Votes            |          |         |
|     | Votes For             | Withheld | Abstain | Votes For        | Withheld | Abstain | Votes For        | Withheld | Abstain |
| DVF | 7,913,169             | 285,500  | 0       | 7,911,113        | 287,556  | 0       | 7,908,344        | 290,325  | 0       |
| FRA | 11,690,894            | 121,683  | 0       | 11,691,131       | 121,446  | 0       | 11,686,628       | 125,949  | 0       |
|     | Kathleen F. Feldstein |          |         | James T. Flynn   |          |         | Henry Gabbay     |          |         |
|     | Votes                 |          |         | Votes            |          |         | Votes            |          |         |
|     | Votes For             | Withheld | Abstain | Votes For        | Withheld | Abstain | Votes For        | Withheld | Abstain |
| DVF | 7,901,869             | 296,800  | 0       | 7,907,743        | 290,926  | 0       | 7,912,755        | 285,914  | 0       |
| FRA | 11,690,044            | 122,533  | 0       | 11,691,131       | 121,446  | 0       | 11,689,794       | 122,783  | 0       |
|     | Jerrold B. Harris     |          |         | R. Glenn Hubbard |          |         | W. Carl Kester   |          |         |
|     | Votes                 |          |         | Votes            |          |         | Votes            |          |         |
|     | Votes For             | Withheld | Abstain | Votes For        | Withheld | Abstain | Votes For        | Withheld | Abstain |
| DVF | 7,910,013             | 288,656  | 0       | 7,906,993        | 291,676  | 0       | 7,902,333        | 296,336  | 0       |

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|                         |                  |                 |                |            |         |   |            |         |   |
|-------------------------|------------------|-----------------|----------------|------------|---------|---|------------|---------|---|
| FRA                     | 11,690,031       | 122,546         | 0              | 11,691,100 | 121,477 | 0 | 11,686,391 | 126,186 | 0 |
| <b>Karen P. Robards</b> |                  |                 |                |            |         |   |            |         |   |
| <b>Votes</b>            |                  |                 |                |            |         |   |            |         |   |
|                         | <b>Votes For</b> | <b>Withheld</b> | <b>Abstain</b> |            |         |   |            |         |   |
| DVF                     | 7,903,011        | 295,658         | 0              |            |         |   |            |         |   |
| FRA                     | 11,692,644       | 119,933         | 0              |            |         |   |            |         |   |

At a special meeting held on March 11, 2011, shareholders of Senior Floating Rate and Senior Floating Rate II approved the Reorganizations of Senior Floating Rate and Senior Floating Rate II into Floating Rate Income Portfolio, pursuant to which Floating Rate Income Portfolio acquired substantially all of the assets and assumed substantially all of the liabilities of Senior Floating Rate and Senior Floating Rate II in exchange for an equal aggregate value of the Floating Rate Income Portfolio shares. The results were as follows:

|                         | <b>Votes</b>     |                 |                |
|-------------------------|------------------|-----------------|----------------|
|                         | <b>Votes For</b> | <b>Withheld</b> | <b>Abstain</b> |
| Senior Floating Rate    | 19,910,601       | 705,404         | 989,479        |
| Senior Floating Rate II | 9,318,807        | 267,188         | 346,569        |

**Dividend Policy**

The Funds' dividend policy is to distribute all or a portion of their net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, 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 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 (concluded)

### General Information

#### Electronic Delivery

Electronic copies of most financial reports are available on the Funds' websites 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 househanded 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 (800) 441-7762.

#### Availability of Quarterly Schedule of Investments

Each Fund/Master LLC files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Funds' /Master LLC's 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 the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Fund's /Master LLC's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

#### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that each Fund/Master LLC uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at [www.blackrock.com](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/Master LLC voted proxies relating to securities held in each Fund's /Master LLC's portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at [www.blackrock.com](http://www.blackrock.com) or by calling (800) 441-7762



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>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds.

#### 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.

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Funds unless accompanied or

preceded by the Funds' current prospectus. Past performance results shown in this report should not be considered a representation

of future performance. Investment returns and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

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.

(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  
Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable

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 Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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.

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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: May 4, 2011

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: May 4, 2011

By: /S/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of  
BlackRock Floating Rate Income Strategies Fund, Inc.

Date: May 4, 2011

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