

BLACKROCK DEBT STRATEGIES FUND, INC.
Form N-CSR
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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 811-08603

Name of Fund: BlackRock Debt Strategies Fund, Inc. (DSU)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 02/28/2010

Date of reporting period: 02/28/2010

Item 1 – Report to Stockholders

Annual Report

FEBRUARY 28, 2010

BlackRock Corporate High Yield Fund, Inc. (COY)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

BlackRock Debt Strategies Fund, Inc. (DSU)

BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)

BlackRock Senior High Income Fund, Inc. (ARK)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past year marked a pivotal turning point for global markets as the Great Recession that started in December 2007 began to recede and give way to recovery. The dramatic about-face could be attributed to a confluence of factors, most notably the extraordinary policy actions of global governments and central banks, a resurgence in corporate profits and growing signs of stability and healing in world economies.

After reaching a trough in early March 2009, stocks galloped higher as investors were lured back into the markets by depressed valuations, desire for higher yields and increasing confidence that all-out financial disaster had been averted. The result was a powerful upswing in global equities and other higher-risk assets through the end of 2009. More recently, the combination of mixed economic data, lingering deflation issues (especially in Europe) and proposed fees and levies on banks dampened investor conviction, resulting in a several-week bout of profit-taking. The selloff had a more pronounced negative effect on international and emerging market equities due primarily to concerns of higher interest rates in Asia and negative headlines out of Europe, particularly in Greece.

Generally speaking, investors' renewed affinity for risk was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One of the major themes in 2009 was the reversal of the flight-to-quality trade. High yield, one of the most battered areas during the financial crisis, emerged as the strongest-performing fixed income sector in both the taxable and tax-exempt space. Despite weak fundamentals, the municipal market produced solid returns as technical conditions remained supportive of the asset class. Municipal bond mutual funds enjoyed strong inflows and tax-exempt issuance remained low thanks to the ever-increasing popularity of the Build America Bond program. Nevertheless, state and local fiscal woes and bankruptcy fears remain firmly in the spotlight, and bear close monitoring.

At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in money market funds declined from the peak registered in early 2009, but remain above levels registered prior to the financial crisis that began in 2007.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of February 28, 2010	6-month	12-month
US equities (S&P 500 Index)	9.32%	53.62%
Small cap US equities (Russell 2000 Index)	10.59	63.95
International equities (MSCI Europe, Australasia, Far East Index)	0.72	54.58
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.20
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.07	(1.54)
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	3.19	9.32
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.13	9.98
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	13.86	55.20

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

The market continues to show signs of improvement, but questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market

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perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you will 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.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 28, 2010

BlackRock Corporate High Yield Fund, Inc.

Investment Objective

BlackRock Corporate High Yield Fund, Inc. (COY) (the Fund) seeks to provide shareholders with current income with a secondary objective of providing shareholders with capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a diversified portfolio of fixed-income securities that are rated below investment grade by the established rating services (Ba or lower by Moody's Investors Service, Inc. (Moody's)) or BB or lower by Standard & Poor's Corporation (S&P's)) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 99.76% based on market price and 79.91% based on net asset value (NAV). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. 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. During the period, we found particularly good value in the automotive segment, which represented the Fund's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Fund's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Fund held a 13% position in floating rate loan interests, which hindered performance as the sector underperformed high yield during the period. The Fund also maintained relatively low levels of leverage (at year end, 24% of the Fund's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit.

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.

Fund Information

Symbol on New York Stock Exchange (NYSE)	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of February 28, 2010 (\$6.88) ¹	10.64%
Current Monthly Distribution per Share ²	\$0.061
Current Annualized Distribution per Share ²	\$0.732
Leverage as of February 28, 2010 ³	24%

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

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A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was decreased to \$0.051. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change.

- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 9.

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

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 6.88	\$ 3.91	75.96%	\$ 7.10	\$ 3.20
Net Asset Value	\$ 6.64	\$ 4.19	58.47%	\$ 6.74	\$ 3.97

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

	2/28/10	2/28/09
Corporate Bonds	82%	82%
Floating Rate Loan Interests	13	16
Common Stocks	3	1
Other Interests	2	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	3%	4%
BB/Ba	30	31
B	46	47
CCC/Caa	12	12
CC/Ca	1	1
D	1	
Not Rated	7	5

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

Fund Summary as of February 28, 2010

BlackRock Corporate High Yield Fund III, Inc.

Investment Objective

BlackRock Corporate High Yield Fund III, Inc. (CYE) (the Fund) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 111.12% based on market price and 86.65% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Fund's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Fund's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Fund held a 13% position in floating rate loan interests, which hindered performance as the sector underperformed high yield during the period. The Fund also maintained relatively low levels of leverage (at year end, 23% of the Fund's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit.

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Fund Information

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of February 28, 2010 (\$6.67) ¹	9.90%
Current Monthly Distribution per Share ²	\$0.055
Current Annualized Distribution per Share ²	\$0.660
Leverage as of February 28, 2010 ³	23%

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

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A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Common Share was decreased to \$0.050. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change.

- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 9.

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

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 6.67	\$ 3.57	86.83%	\$ 6.78	\$ 3.05
Net Asset Value	\$ 6.69	\$ 4.05	65.19%	\$ 6.78	\$ 3.83

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

	2/28/10	2/28/09
Corporate Bonds	81%	82%
Floating Rate Loan Interests	13	16
Common Stocks	4	1
Other Interests	2	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
AAA/Aaa	%	1%
BBB/Baa	3	5
BB/Ba	29	30
B	47	46
CCC/Caa	12	14
CC/Ca		1
D	1	
Not Rated	8	3

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

Fund Summary as of February 28, 2010

BlackRock Debt Strategies Fund, Inc.

Investment Objective

BlackRock Debt Strategies Fund, Inc. (DSU) (the Fund) seeks to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, that are rated in the lower rating categories of the established rating services (Baa or lower by Moody's or BBB or lower by S&P's) or unrated debt instruments of comparable quality.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 114.32% based on market price and 87.82% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. 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. Unlike most of the other funds in its Lipper category, the Fund is a hybrid that invests in both high yield and bank loans. During the period, approximately 47% of the Fund was invested in floating rate loan interests, with 42% in high yield and the remainder in common stock, convertibles and investment-grade bonds. The Fund continued to outperform its Lipper category, even though loans underperformed high yield over the 12 months. Contributing positively to performance were the Fund's overweight positions in autos and several distressed credits and special situations, as well as our underweight in health care. On an individual security and credit rating basis, we tended to be overweight in the lower-quality tiers, nonrated and higher-beta credits, which hurt the Fund's performance in 2008, but has benefited the Fund since. On the other hand, the Fund maintained relatively conservative sector positioning, which had a negative impact on the Fund's performance in the continuation of the market's sharp rebound from 2008; still, we believe the Fund's positioning is the correct stance for the medium term. The Fund also maintained relatively low levels of leverage (at year end, 14% of the Fund's total managed assets), which has been a detractor in a strong market environment.

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Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of February 28, 2010 (\$3.91) ¹	9.51%
Current Monthly Distribution per Share ²	\$0.031
Current Annualized Distribution per Share ²	\$0.372
Leverage as of February 28, 2010 ³	14%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² The distribution rate is not constant and is subject to change.
- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 9.

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

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 3.91	\$ 2.07	88.89%	\$ 3.91	\$ 1.63
Net Asset Value	\$ 3.89	\$ 2.35	65.53%	\$ 3.90	\$ 2.21

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

	2/28/10	2/28/09
Corporate Bonds	49%	53%
Floating Rate Loan Interests	47	43
Common Stocks	4	3
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	5%	9%
BB/Ba	27	
B	44	59
CCC/Caa	11	21
CC/Ca		4
D	1	1
Not Rated	12	6

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

Fund Summary as of February 28, 2010

BlackRock Floating Rate Income Strategies Fund II, Inc.**Investment Objective**

BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB) (the Fund) seeks a 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.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 99.15% based on market price and 62.08% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 98.84% on a market price basis and 55.06% on a NAV basis. 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. During the period, approximately 20% of the Fund was invested in high yield bonds, which contributed positively to performance as high yield outperformed floating rate loan interests. Overweight positions in the automotive sector and a few special situations and distressed credits also helped the Fund's results, as did an underweight in health care. On the other hand, the Fund generally favored less economically sensitive sectors and higher-quality credits, which detracted from performance as these issues underperformed lower-rated issues and those sectors with greater economic sensitivity. In addition, the Fund maintained relatively conservative levels of leverage (at year end, 15% of the Fund's total managed assets), which was a detractor versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit.

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Fund Information

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of February 28, 2010 (\$15.01) ¹	6.00%
Current Monthly Distribution per Share ²	\$0.075
Current Annualized Distribution per Share ²	\$0.900
Leverage as of February 28, 2010 ³	15%

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

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

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³ Represents loan 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 9.

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

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 15.01	\$ 8.28	81.28%	\$ 15.10	\$ 7.16
Net Asset Value	\$ 13.16	\$ 8.92	47.53%	\$ 13.21	\$ 8.58

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

	2/28/10	2/28/09
Floating Rate Loan Interests	73%	71%
Corporate Bonds	26	28
Other Interests	1	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	6%	15%
BB/Ba	34	8
B	38	57
CCC/Caa	10	15
CC/Ca	1	2
D	2	1
Not Rated	9	2

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

Fund Summary as of February 28, 2010

BlackRock Senior High Income Fund, Inc.**Investment Objective**

BlackRock Senior High Income Fund, Inc. (ARK) (the Fund) seeks to provide shareholders with as high a level of current income as is consistent with its investment policies and prudent investment management by investing principally in senior debt obligations of companies, including corporate loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes.

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

Performance

For the 12 months ended February 28, 2010, the Fund returned 95.61% based on market price and 68.90% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 86.36% on a market price basis and 68.03% on a NAV basis. 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. Unlike most of the other funds in its Lipper category, the Fund is a hybrid that invests in both high yield and bank loans. During the period, approximately 46% of the Fund was invested in floating rate loan interests, with 48% in high yield and the remainder in common stock, convertibles and investment-grade bonds. The Fund outperformed its Lipper category, even though loans underperformed high yield over the 12 months. Contributing positively to performance were our overweight positions in autos and several distressed credits and special situations, as well as the Fund's underweight in health care. On an individual security and credit rating basis, the Fund tended to be overweight in the lower-quality tiers, nonrated and higher-beta credits, which hurt performance in 2008, but has benefited the Fund since. On the other hand, the Fund maintained relatively conservative sector positioning, which had a negative impact on performance in the continuation of the market's sharp rebound from 2008; still, we believe the Fund's positioning is the correct stance for the medium term. We also maintained relatively low levels of leverage (at year end, 16% of the Fund's total assets), which has been a detractor in a strong market environment.

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.

Fund Information

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of February 28, 2010 (\$3.94) ¹	7.61%
Current Monthly Distribution per Common Share ²	\$0.025
Current Annualized Distribution per Common Share ²	\$0.300
Leverage as of February 28, 2010 ³	16%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² The distribution is not constant and is subject to change.
- ³ Represents loan 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 9.

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

	2/28/10	2/28/09	Change	High	Low
Market Price	\$ 3.94	\$ 2.21	78.28%	\$ 3.97	\$ 1.78
Net Asset Value	\$ 3.91	\$ 2.54	53.94%	\$ 3.93	\$ 2.41

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

	2/28/10	2/28/09
Corporate Bonds	52%	55%
Floating Rate Loan Interests	46	44
Common Stocks	2	
Non-Agency Mortgage-Backed Securities		1

Credit Quality Allocations⁴

	2/28/10	2/28/09
BBB/Baa	5%	2%
BB/Ba	33	22
B	43	59
CCC/Caa	11	8
CC/Ca		3
D	1	1
Not Rated	7	5

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

The Benefits and Risks of Leveraging

The Funds 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. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will 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 issues debt securities 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 interest expense on the \$30 million of debt securities based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from borrowings earn the income based on long-term interest rates. In this case, the interest expense of 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 Fund's 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 Fund's borrowings do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings.

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 each Fund's NAV, market price and dividend rate than a comparable portfolio 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 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 the shareholders and may reduce income.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through a credit facility up to 33 % of their total managed assets. As of February 28, 2010, the Funds had outstanding leverage from credit facility borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
COY	24%
CYE	23%

DSU	14%
FRB	15%
ARK	16%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including swaps, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which 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, equity, credit 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 successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, 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 securities at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment or may cause a Fund to hold a security that they might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments February 28, 2010

BlackRock Corporate High Yield Fund, Inc. (COY)
 (Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Auto Components 0.1%		
Lear Corp. (a)	3,958	\$ 274,171
Building Products 0.7%		
Masonite Worldwide Holdings (a)	35,518	1,491,756
Capital Markets 0.2%		
E*Trade Financial Corp. (a)	269,000	433,090
Chemicals 0.0%		
Wellman Holdings, Inc. (a)	1,425	356
Communications Equipment 0.9%		
Brocade Communications Systems, Inc. (a)	45,000	261,900
Loral Space & Communications Ltd. (a)	58,901	1,916,050
		2,177,950
Construction Materials 0.0%		
Nortek, Inc. (a)	2,020	74,740
Containers & Packaging 0.2%		
Rock-Tenn Co., Class A	12,000	502,080
Smurfit Kappa Plc (a)	3,634	29,954
		532,034
Diversified Financial Services 0.4%		
Bank of America Corp.	60,000	999,600
Diversified Telecommunication Services 0.5%		
Qwest Communications International, Inc.	229,998	1,048,791
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	67,974	4,826
SunPower Corp., Class B (a)	352	5,748
		10,574
Food Products 0.0%		
Pilgrims Pride Corp. (a)	6,449	58,170
Household Durables 0.2%		
Beazer Homes USA, Inc. (a)	22,188	92,302
Pulte Homes, Inc. (a)	28,000	303,240

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		395,542
Machinery 0.1%		
Accuride Corp. (a)	84,388	109,704
Accuride Corp. Restricted Shares (a)	84,389	109,706
		219,410
Media 0.3%		
Gannett Co., Inc.	45,000	681,750
Paper & Forest Products 0.1%		
Ainsworth Lumber Co. Ltd. (a)	37,144	78,016
Ainsworth Lumber Co. Ltd. (a)(b)	41,686	87,555
Western Forest Products, Inc. (a)	147,968	30,938
Western Forest Products, Inc. (a)(b)	41,528	8,683
		205,192
Wireless Telecommunication Services 0.3%		
FiberTower Corp. (a)	76,542	315,354
SBA Communications Corp., Class A (a)	8,500	300,560
		615,914
Total Common Stocks 4.0%		9,219,040

Corporate Bonds	Par (000)	Value
Airlines 2.4%		
American Airlines, Inc., 10.50%, 10/15/12 (b)	USD 940	\$ 963,500
American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13	390	392,925
Continental Airlines, Inc.:		
Series 1997-4-B, 6.90%, 7/02/18	503	462,977
Series 2001-1-C, 7.03%, 12/15/12	270	262,771
Series 2003-RJ, 7.88%, 1/02/20	389	345,822
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	975	1,004,250
United Air Lines, Inc., 12.75%, 7/15/12	2,000	2,120,000
		5,552,245
Auto Components 0.8%		
Delphi International Holdings Unsecured, 12.00%, 10/06/14	41	40,674
The Goodyear Tire & Rubber Co.:		
7.86%, 8/15/11	1,125	1,164,375
8.63%, 12/01/11	612	634,950
		1,839,999
Biotechnology 0.3%		
QHP Pharma, 10.25%, 3/15/15 (b)	700	714,616

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Building Products 1.1%

Associated Materials LLC, 9.88%, 11/15/16	660	699,600
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	570	570,000
Goodman Global Group, Inc., 12.86%, 12/15/14 (b)(c)	280	162,400
Ply Gem Industries, Inc., 11.75%, 6/15/13	1,050	1,065,750
		2,497,750

Capital Markets 0.4%

E*Trade Financial Corp., 3.43% 8/31/19 (b)(c)(d)	226	343,520
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	904	543,530
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(e)	385	85,094
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(e)	248	43,018
		1,015,162

Chemicals 2.8%

American Pacific Corp., 9.00%, 2/01/15	800	790,000
Georgia Gulf Corp., 9.00%, 1/15/17 (b)	215	223,063
Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b)	1,685	1,575,475
Hexion U.S. Finance Corp., 9.75%, 11/15/14	285	269,325
Huntsman International LLC (b):		
6.88%, 11/15/13	EUR 260	330,133
5.50%, 6/30/16	USD 510	448,800
Innophos, Inc., 8.88%, 8/15/14	740	760,350
MacDermid, Inc., 9.50%, 4/15/17 (b)	1,180	1,180,000
Wellman Holdings, Inc. (d):		
Second Lien Subordinate Note, 10.00%, 1/29/19 (b)	790	790,000
Third Lien Subordinate Note, 5.00%, 1/29/19 (e)	252	126,361
		6,493,507

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:

CAD	Canadian Dollar
EUR	Euro
GBP	British Pound
USD	US Dollar

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Commercial Services & Supplies 3.2%			
ACCO Brands Corp., 10.63%, 3/15/15 (b)	USD	480	\$ 521,760
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		555	593,850
Scientific Games International, Inc., 9.25%, 6/15/19		785	830,137
Waste Services, Inc., 9.50%, 4/15/14		2,800	2,877,000
West Corp.: 9.50%, 10/15/14		400	397,000
11.00%, 10/15/16		2,040	2,045,100
			7,264,847
Construction Materials 1.2%			
Nortek, Inc., 11.00%, 12/01/13		2,029	2,130,426
Texas Industries, Inc., 7.25%, 7/15/13		720	700,200
			2,830,626
Consumer Finance 0.5%			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)		640	636,800
Ford Motor Credit Co. LLC: 3.00%, 1/13/12 (f)		195	182,813
7.80%, 6/01/12		200	202,114
8.00%, 12/15/16		170	170,703
			1,192,430
Containers & Packaging 4.1%			
Berry Plastics Escrow LLC, 8.88%, 9/15/14 (b)		440	423,500
Berry Plastics Holding Corp., 8.88%, 9/15/14		1,000	962,500
Crown European Holdings SA, 6.25%, 9/01/11	EUR	73	101,389
Graphic Packaging International, Inc., 9.50%, 6/15/17	USD	810	850,500
Impress Holdings BV, 3.38%, 9/15/13 (b)(f)		390	363,675
Owens-Brockway Glass Container, Inc.: 8.25%, 5/15/13		925	938,875
6.75%, 12/01/14	EUR	152	206,972
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	USD	1,010	804,212
Pregis Corp., 12.38%, 10/15/13		1,130	1,121,525
Rock-Tenn Co., 8.20%, 8/15/11		1,875	2,020,312
Smurfit Kappa Acquisitions (b): 7.25%, 11/15/17	EUR	465	620,507
7.75%, 11/15/19		440	596,133
Solo Cup Co., 10.50%, 11/01/13	USD	450	471,375

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				9,481,475
Diversified Consumer Services 1.2%				
Service Corp. International, 7.00%, 6/15/17		2,800		2,744,000
Diversified Financial Services 8.7%				
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		490		530,425
CIT Group, Inc., 7.00%, 5/01/17		6,615		5,846,006
FCE Bank Plc:				
7.88%, 2/15/11	GBP	1,150		1,766,681
7.13%, 1/16/12	EUR	1,450		1,957,026
7.13%, 1/15/13		550		733,933
GMAC LLC:				
7.25%, 3/02/11	USD	578		583,058
6.88%, 9/15/11		500		500,000
6.88%, 8/28/12		600		594,000
2.45%, 12/01/14 (f)		441		377,274
6.75%, 12/01/14		950		907,250
8.30%, 2/12/15 (b)		2,140		2,158,725
8.00%, 11/01/31		1,200		1,107,000
			Par (000)	Value
Corporate Bonds				
Diversified Financial Services (concluded)				
Leucadia National Corp., 8.13%, 9/15/15	USD	1,250	\$	1,268,750
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		1,340		1,356,750
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	350		475,393
				20,162,271
Diversified Telecommunication Services 3.9%				
Broadview Networks Holdings, Inc., 11.38%, 9/01/12	USD	1,000		960,000
GCI, Inc., 8.63%, 11/15/19 (b)		1,100		1,117,875
Level 3 Financing, Inc., 10.00%, 2/01/18 (b)		630		578,025
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		200		214,000
Qwest Communications International, Inc.:				
7.50%, 2/15/14		1,890		1,908,900
8.00%, 10/01/15 (b)		500		517,500
Series B, 7.50%, 2/15/14		1,645		1,661,450
Qwest Corp.:				
7.63%, 6/15/15		500		534,375
8.38%, 5/01/16		650		711,750
Windstream Corp., 8.13%, 8/01/13		700		728,000
				8,931,875
Electric Utilities 1.3%				
Intergen NV, 9.00%, 6/30/17 (b)		385		392,700
NSG Holdings LLC, 7.75%, 12/15/25 (b)		965		834,725
Tenaska Alabama Partners LP, 7.00%, 6/30/21 (b)		1,684		1,687,163
				2,914,588

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Electronic Equipment, Instruments & Components 0.1%		
Jabil Circuit, Inc., 7.75%, 7/15/16	280	289,800
Energy Equipment & Services 1.4%		
Compagnie Générale de Géophysique-Veritas:		
7.50%, 5/15/15	195	191,100
7.75%, 5/15/17	300	294,000
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	1,715	1,706,425
North American Energy Alliance LLC, 10.88%, 6/01/16 (b)	625	662,500
North American Energy Partners, Inc., 8.75%, 12/01/11	355	353,225
		3,207,250
Food & Staples Retailing 0.8%		
AmeriQual Group LLC, 9.50%, 4/01/12 (b)	750	675,000
Duane Reade, Inc., 11.75%, 8/01/15	160	201,600
Rite Aid Corp.:		
9.75%, 6/12/16	380	405,650
10.25%, 10/15/19	580	613,350
		1,895,600
Food Products 0.7%		
B&G Foods, Inc., 7.63%, 1/15/18	200	202,000
Reddy Ice Corp., 11.25%, 3/15/15 (b)(g)	410	410,000
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	760	822,700
TreeHouse Foods, Inc., 7.75%, 3/01/18 (g)	150	153,938
		1,588,638

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Health Care Equipment & Supplies 1.3%			
DJO Finance LLC:			
10.88%, 11/15/14	USD	1,605	\$ 1,717,350
10.88%, 11/15/14 (b)		560	599,200
Hologic, Inc., 2.00%, 12/15/37 (d)(h)		910	778,050
			3,094,600
Health Care Providers & Services 3.6%			
Community Health Systems, Inc., Series WI, 8.88%, 7/15/15			
		1,360	1,407,600
HCA, Inc., 9.13%, 11/15/14		1,645	1,729,306
LifePoint Hospitals, Inc., 3.50%, 5/15/14 (d)		100	91,625
Tenet Healthcare Corp. (b):			
9.00%, 5/01/15		1,502	1,573,345
10.00%, 5/01/18		622	684,200
8.88%, 7/01/19		1,215	1,281,825
Vanguard Health Holding Co. LLC, 8.00%, 2/01/18 (b)		1,450	1,424,625
			8,192,526
Health Care Technology 0.8%			
IMS Health, Inc., 12.50%, 3/01/18 (b)		1,650	1,897,500
Hotels, Restaurants & Leisure 3.8%			
Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(b)(i)			
		412	24,720
Harrah's Operating Co., Inc., 11.25%, 6/01/17		1,025	1,063,437
Icahn Enterprises LP, 8.00%, 1/15/18 (b)		2,200	2,068,000
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(i)		1,425	691,125
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(i)		1,175	296,687
MGM Mirage:			
13.00%, 11/15/13		1,045	1,191,300
10.38%, 5/15/14 (b)		235	249,100
11.13%, 11/15/17 (b)		780	842,400
Pinnacle Entertainment, Inc., 8.63%, 8/01/17 (b)		640	608,000
San Pasqual Casino, 8.00%, 9/15/13 (b)		925	878,750
Scientific Games Corp., 0.75%, 12/01/24 (d)(h)		270	262,238
Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)		45	35,775
Travelport LLC:			
4.88%, 9/01/14 (f)		145	134,850
9.88%, 9/01/14		190	194,275
		315	197

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Tropicana Entertainment LLC, Series WI, 9.63%,
12/15/14 (a)(i)

Virgin River Casino Corp., 9.00%, 1/15/12 (a)(i)	805	152,950
		8,693,804

Household Durables 2.5%

Beazer Homes USA, Inc., 12.00%, 10/15/17 (b)	1,425	1,588,875
Jarden Corp., 8.00%, 5/01/16	240	250,800
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	1,620	1,692,900
KB Home:		
6.38%, 8/15/11	29	29,508
9.10%, 9/15/17	205	212,687
Standard Pacific Corp.:		
6.25%, 4/01/14	485	436,500
7.00%, 8/15/15	325	292,500
10.75%, 9/15/16	1,130	1,178,025
		5,681,795

Corporate Bonds	Par (000)	Value
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Household Products 0.1%

Libbey Glass, Inc., 10.00%, 2/15/15 (b)	USD	125	\$	129,375
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IT Services 1.5%

Alliance Data Systems Corp., 1.75%, 8/01/13 (d)	1,585	1,466,125
First Data Corp.:		
9.88%, 9/24/15 (b)	15	12,975
9.88%, 9/24/15	1,500	1,282,500
11.25%, 3/31/16	760	623,200
		3,384,800

Independent Power Producers & Energy Traders 3.8%

The AES Corp., 8.75%, 5/15/13 (b)	994	1,011,395
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	575	623,156
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,190	1,204,875
Energy Future Holdings Corp.:		
10.88%, 11/01/17	400	303,000
11.25%, 11/01/17 (e)	2,738	1,916,516
10.00%, 1/15/20 (b)	1,715	1,749,300
NRG Energy, Inc., 7.25%, 2/01/14	2,010	2,025,075
		8,833,317

Industrial Conglomerates 2.6%

Sequa Corp. (b):		
11.75%, 12/01/15	2,190	2,146,200
13.50%, 12/01/15 (e)	3,759	3,768,149
		5,914,349

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Insurance 0.9%		
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,600	1,628,000
USI Holdings Corp., 4.13%, 11/15/14 (b)(f)	630	521,325
		2,149,325
Internet & Catalog Retail 0.2%		
NetFlix, Inc., 8.50%, 11/15/17 (g)	330	345,675
Internet Software & Services 0.3%		
Equinix, Inc, 8.13%, 3/01/18	570	570,000
Leisure Equipment & Products 1.0%		
Brunswick Corp., 11.25%, 11/01/16 (b)	1,870	2,080,375
Easton-Bell Sports, Inc., 9.75%, 12/01/16 (b)	265	274,938
		2,355,313
Life Sciences Tools & Services 0.1%		
Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 (b)	200	209,000
Machinery 1.2%		
AGY Holding Corp., 11.00%, 11/15/14	900	720,000
Accuride Corp., 7.50%, 2/26/20 (d)(e)	9	14,773
Navistar International Corp.:		
3.00%, 10/15/14 (d)	480	490,800
8.25%, 11/01/21	1,000	1,015,000
RBS Global, Inc., 8.88%, 9/01/16	420	380,100
Titan International, Inc., 5.63%, 1/15/17 (b)(d)	220	231,550
		2,852,223
Marine 1.1%		
Horizon Lines, Inc., 4.25%, 8/15/12 (d)	1,985	1,642,587
Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)	470	478,225
Trico Shipping AS, 11.88%, 11/01/14 (b)	310	300,313
		2,421,125

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Media 14.0%			
Affinion Group, Inc., 10.13%, 10/15/13	USD	2,255	\$ 2,277,550
CCH II LLC, 13.50%, 11/30/16		502	593,417
CCO Holdings LLC, 8.75%, 11/15/13		665	674,975
CMP Susquehanna Corp., 3.20%, 5/15/14 (b)		150	3,000
COX Enterprises, Inc.:			
Loan Close 2, 12.00%, 8/15/18		600	600,000
Loan Close 3, 12.00%, 8/15/18		700	700,000
Shares Loan, 12.00%, 8/15/18		700	700,000
CSC Holdings, Inc., 8.50%, 4/15/14 (b)		370	388,963
Cablevision Systems Corp., Series B, 8.00%, 4/15/12		1,465	1,543,744
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(e)		555	579,975
Charter Communications Operating, LLC (b):			
10.00%, 4/30/12		500	517,500
10.38%, 4/30/14		660	669,900
Clear Channel Worldwide Holdings, Inc. (b):			
Series A, 9.25%, 12/15/17		779	794,580
Series B, 9.25%, 12/15/17		3,710	3,812,025
DISH DBS Corp., 7.00%, 10/01/13		90	92,025
Gannett Co., Inc., 8.75%, 11/15/14 (b)		665	695,756
Harland Clarke Holdings Corp.:			
6.00%, 5/15/15 (f)		330	262,350
9.50%, 5/15/15		390	355,875
Intelsat Corp., 9.25%, 6/15/16		2,420	2,504,700
Intelsat Subsidiary Holding Co. Ltd., 8.88%, 1/15/15 (b)		250	253,750
Liberty Global, Inc., 4.50%, 11/15/16 (b)(d)		410	489,437
Liberty Media Corp., 3.13%, 3/30/23 (d)		1,023	1,046,017
Lighthouse International Co. SA:			
8.00%, 4/30/14	EUR	519	441,687
8.00%, 4/30/14 (b)		163	138,719
Lions Gate Entertainment, Inc., 10.25%, 11/01/16 (b)	USD	345	345,863
McClatchy Co., 11.50%, 2/15/17 (b)		240	234,000
Network Communications, Inc., 10.75%, 12/01/13		20	9,200
Nielsen Finance LLC:			
11.63%, 2/01/14		70	77,963
10.00%, 8/01/14		1,740	1,805,250
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(d)(i)		812	771,181
Rainbow National Services LLC (b):			
8.75%, 9/01/12		410	418,200
10.38%, 9/01/14		1,496	1,572,670
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	800	1,008,388
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	3,245	2,957,006
UPC Germany GmbH (b):			
8.13%, 12/01/17		500	500,000
8.13%, 12/01/17	EUR	522	717,892

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9.63%, 12/01/19		930	1,279,003
UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500	520,000
			32,352,561

Metals & Mining 5.2%

Aleris International, Inc. (a)(i):			
9.00%, 12/15/14		950	2,375
10.00%, 12/15/16		800	17,000
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		800	800,000
7.38%, 2/15/16		215	200,488
FMG Finance Property Ltd. (b):			
10.00%, 9/01/13		500	527,500
10.63%, 9/01/16		1,100	1,226,500
Foundation PA Coal Co., 7.25%, 8/01/14		1,850	1,850,000

Corporate Bonds		Par (000)		Value
Metals & Mining (concluded)				
GoldCorp., Inc., 2.00%, 8/01/14 (b)(d)	USD	180	\$	201,600
McJunkin Red Man Corp., 9.50%, 12/15/16 (b)		1,160		1,162,900
Murray Energy Corp., 10.25%, 10/15/15 (b)		795		795,994
New World Resources NV, 7.38%, 5/15/15	EUR	610		739,243
Novelis, Inc.:				
7.25%, 2/15/15	USD	1,440		1,335,600
11.50%, 2/15/15		405		430,312
Ryerson, Inc.:				
7.62%, 11/01/14 (f)		380		339,150
12.00%, 11/01/15		245		251,738
Steel Dynamics, Inc., 7.38%, 11/01/12		440		447,700
Teck Resources Ltd.:				
10.25%, 5/15/16		285		339,862
10.75%, 5/15/19		640		787,200
Vedanta Resources Plc, 9.50%, 7/18/18 (b)		600		633,000
				12,088,162

Multiline Retail 1.3%

Dollar General Corp.:				
10.63%, 7/15/15		140		153,300
11.88%, 7/15/17 (e)		2,257		2,623,762
Saks, Inc., 9.88%, 10/01/11		275		285,313
				3,062,375

Oil, Gas & Consumable Fuels 7.4%

Arch Coal, Inc., 8.75%, 8/01/16 (b)				
		290		300,150
Atlas Energy Operating Co. LLC:				
12.13%, 8/01/17		450		506,250
10.75%, 2/01/18		240		259,800
Berry Petroleum Co., 8.25%, 11/01/16		470		471,175
Bill Barrett Corp., 9.88%, 7/15/16		225		238,219
Chesapeake Energy Corp., 2.25%, 12/15/38 (d)		775		575,437
Connacher Oil and Gas Ltd. (b):				
11.75%, 7/15/14		165		181,500
10.25%, 12/15/15		1,075		1,036,031
Crosstex Energy LP, 8.88%, 2/15/18 (b)		910		923,650

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Denbury Resources, Inc., 8.25%, 2/15/20	800	828,000
Encore Acquisition Co., 6.25%, 4/15/14	1,850	1,863,875
Forest Oil Corp., 7.25%, 6/15/19	440	431,200
Massey Energy Co., 3.25%, 8/01/15 (d)	1,675	1,507,500
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)(g)	1,875	1,875,000
OPTI Canada, Inc., 9.00%, 12/15/12 (b)	1,250	1,271,875
Petrohawk Energy Corp.:		
10.50%, 8/01/14	530	575,050
7.88%, 6/01/15	450	450,000
Range Resources Corp., 8.00%, 5/15/19	400	419,000
Roseton-Danskammer 2001, Series B, 7.67%, 11/08/16	1,760	1,698,400
Sabine Pass LNG LP, 7.50%, 11/30/16	350	307,125
SandRidge Energy, Inc.:		
8.63%, 4/01/15 (e)	120	118,200
9.88%, 5/15/16 (b)	500	516,250
8.00%, 6/01/18 (b)	125	119,688
Teekay Shipping Corp., 8.50%, 1/15/20	610	619,150
		17,092,525

Paper & Forest Products 4.0%

Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(e)	328	244,714
Boise Paper Holdings LLC, 9.00%, 11/01/17 (b)	355	365,650
Clearwater Paper Corp., 10.63%, 6/15/16 (b)	370	410,700
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,525	1,608,875
Glatfelter, 7.13%, 5/01/16 (b)	190	182,400

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Paper & Forest Products (concluded)			
NewPage Corp.:			
10.00%, 5/01/12	USD	740	\$ 425,500
11.38%, 12/31/14		5,385	5,142,675
Verso Paper Holdings LLC:			
11.50%, 7/01/14 (b)		320	336,000
Series B, 4.00%, 8/01/14 (f)		260	209,950
Series B, 9.13%, 8/01/14		305	280,600
			9,207,064
Pharmaceuticals 1.4%			
Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (f)			
		995	805,950
Elan Corp. Plc, 8.75%, 10/15/16 (b)		695	674,150
Elan Finance Plc, 8.88%, 12/01/13		90	91,350
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	893	1,124,762
Valeant Pharmaceuticals International, 8.38%, 6/15/16 (b)	USD	515	533,025
			3,229,237
Real Estate Investment Trusts (REITs) 0.5%			
iStar Financial, Inc., 5.65%, 9/15/11			
		1,500	1,170,000
Real Estate Management & Development 0.5%			
Forest City Enterprises, Inc., 7.63%, 6/01/15			
		1,325	1,192,500
Semiconductors & Semiconductor Equipment 1.0%			
Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)			
		1,140	1,154,250
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(i)		1,135	1,123,650
			2,277,900
Software 0.0%			
BMS Holdings, Inc., 7.89%, 2/15/12 (b)(e)			
		426	8,512
Specialty Retail 1.5%			
Asbury Automotive Group, Inc., 7.63%, 3/15/17			
		330	311,438
General Nutrition Centers, Inc., 10.75%, 3/15/15		550	556,188
Group 1 Automotive, Inc., 2.25%, 6/15/36 (d)(h)		985	770,762
Limited Brands, Inc., 8.50%, 6/15/19		745	798,081
United Auto Group, Inc., 7.75%, 12/15/16		1,030	982,362
			3,418,831

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Textiles, Apparel & Luxury Goods 1.6%

Levi Strauss & Co., 8.63%, 4/01/13	EUR	1,750	2,394,812
Quiksilver, Inc., 6.88%, 4/15/15	USD	1,490	1,270,225
			3,665,037

Wireless Telecommunication Services 5.3%

Cricket Communications, Inc.:			
9.38%, 11/01/14		955	950,225
10.00%, 7/15/15		1,795	1,817,438
7.75%, 5/15/16		210	213,413
Digicel Group Ltd. (b):			
8.88%, 1/15/15		1,285	1,227,175
9.13%, 1/15/15 (e)		1,911	1,862,866
FiberTower Corp., 9.00%, 1/01/16 (e)		284	230,144
iPCS, Inc., 2.37%, 5/01/13 (f)		760	699,200
MetroPCS Wireless, Inc., 9.25%, 11/01/14		2,255	2,249,362
Nextel Communications, Inc.:			
Series D, 7.38%, 8/01/15		60	55,350
Series E, 6.88%, 10/31/13		1,770	1,699,200
Series F, 5.95%, 3/15/14		100	90,750
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)		265	233,200
Sprint Capital Corp., 6.88%, 11/15/28		1,200	909,000
			12,237,323

Total Corporate Bonds 103.4%

238,343,433

Floating Rate Loan Interests (f)		Par (000)		Value
Aerospace & Defense 0.1%				
Hawker Beechcraft Acquisition Co. LLC, Incremental Term Loan, 10.50%, 3/26/14	USD	274	\$	250,482
Auto Components 1.0%				
Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14		2,216		2,029,556
Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15		399		388,763
				2,418,319
Automobiles 2.7%				
Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13		6,641		6,203,454
Building Products 1.3%				
CPG International I, Inc., Term Loan, 5.23%, 2/28/11		2,955		2,954,774
Capital Markets 0.1%				
Marsico Parent Co., LLC, Term Loan, 5.25% 5.31%, 12/15/14		381		241,724
Chemicals 1.1%				

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PQ Corp., Term Loan (First Lien), 3.48% 3.50%, 7/30/14	739	675,956
Solutia Inc., Loan, 7.25%, 2/28/14	304	308,132
Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%, 6/24/10	1,400	1,436,680
		2,420,768

Construction & Engineering 0.8%

Safway, Last Out, Term Loan, 15.63%, 12/14/17	1,750	1,750,000
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Diversified Telecommunication Services 2.0%

Wind Finance SL SA, Facility (Second Lien), 7.68%, 12/17/14	EUR 3,350	4,543,237
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Food & Staples Retailing 0.5%

Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15	USD 1,200	1,243,200
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Hotels, Restaurants & Leisure 1.2%

Travelport LLC (fka Travelport Inc.), Loan, 8.28%, 3/27/12	2,994	2,739,623
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IT Services 0.0%

First Data Corp., Initial Tranche B-1 Term Loan, 2.98%, 9/24/14	99	86,682
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Independent Power Producers & Energy Traders 1.2%

Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.73% 3.75%, 10/10/14	206	165,845
Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14	648	520,967
Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14	2,571	2,056,999
		2,743,811

Machinery 0.2%

Accuride Corp., Term Loan, 9.75%, 6/30/13	550	548,854
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Media 2.3%

Affinion Group Holdings, Inc., Loan, 8.39%, 3/01/12	436	412,302
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,478	1,462,725
HMH Publishing Co., Ltd.:		
Mezzanine, 1.26%, 11/14/14	487	60,093
Tranche A Term Loan, 5.23%, 6/12/14	1,435	1,207,459

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)		Par (000)	Value
Media (concluded)			
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	USD	1,250	\$ 1,335,938
Virgin Media Investment Holdings Ltd., C Facility, 3.58%, 3/03/13	GBP	240	341,862
Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12	USD	498	503,176
			5,323,555
Multiline Retail 0.6%			
Hema Holding BV, Mezzanine, 8.24% 8.92%, 1/29/17	EUR	1,018	1,004,451
The Neiman Marcus Group, Inc., Term Loan, 6.25%, 4/06/13	USD	348	312,381
			1,316,832
Oil, Gas & Consumable Fuels 0.7%			
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18		2,175	1,631,030
Paper & Forest Products 0.3%			
Verso Paper Finance Holdings LLC, PIK Loan, 7.25%, 2/01/13 (e)		1,199	659,462
Real Estate Management & Development 0.2%			
Realogy Corp.:			
Initial Term B Loan, 3.25%, 10/10/13		375	330,849
Synthetic Letter of Credit, 0.08%, 10/10/13		118	104,479
			435,328
Specialty Retail 0.3%			
Claire s Stores, Inc., Term Loan B, 3.00%, 5/29/14		264	217,886
Michaels Stores, Inc. B-1 Term Loan, 2.50% 2.56%, 10/31/13		349	314,406
Pedalgreen Ltd. PIK Loan Facility, 0.00%, 11/30/15 (e)	GBP	119	166,949
			699,241
Total Floating Rate Loan Interests 16.6%			38,210,376

Other Interests (j)		Beneficial Interest (000)
Auto Components 1.8%		
Delphi Debtor in Possession Holding Co. LLP, Class B Membership Interests	USD	(k) 4,209,089
Media 0.0%		
Adelphia Escrow		700 70
Adelphia Recovery Trust		878 3,511
		3,581
Total Other Interests 1.8%		4,212,670

Preferred Stocks	Shares	3,581
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (a)(b)(f)	34,982	
Total Preferred Stocks 0.0%		

Warrants (l)	Shares	Value
Construction & Engineering 0.0%		
Safway US LLC (expires 12/14/17)	321	\$ 1
Health Care Providers & Services 0.0%		
HealthSouth Corp. (expires 1/16/14)	29,930	
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b)	39,975	
New Vision Holdings LLC (expires 9/30/14)	14,965	150
		150
Oil, Gas & Consumable Fuels 0.0%		
Turbo Cayman Ltd. (no expiration)	1	
Total Warrants 0.0%		151

Total Long-Term Investments (Cost \$296,237,011) 125.8%	289,985,670
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Short-Term Securities

BlackRock Liquidity Funds, TempCash, Institutional Class, 0.12% (m)(n)	4,931,674	4,931,674
Total Short-Term Securities (Cost \$4,931,674) 2.1%		4,931,674

Options Purchased

Contracts

Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/01/19, Broker Goldman Sachs Bank USA	17	3,230
Total Options Purchased (Cost \$16,622) 0.0%		3,230

Total Investments (Cost \$301,185,307*) 127.9%	294,920,574
Liabilities in Excess of Other Assets (27.9)%	(64,328,036)
Net Assets 100.0%	<u>\$ 230,592,538</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 302,371,946
Gross unrealized appreciation	\$ 13,143,585
Gross unrealized depreciation	(20,594,957)
Net unrealized depreciation	\$ (7,451,372)

- (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) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Convertible security.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (f) Variable rate security. Rate shown is as of report date.
- (g) When-issued security. Unsettled when-issued security transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Citigroup Global	\$ 345,675	
JPMorgan Securities	\$ 410,000	
Morgan Stanley Capital Services, Inc.	\$ 1,875,000	
Wells Fargo Bank	\$ 153,938	\$ 3,938

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

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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.

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

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempCash, Institutional Class	\$ 4,931,674	\$ 8,170
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ (7,111,263)	\$ 905

- (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 ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report which may combine industry sub-classifications for reporting ease. These industry classifications are unaudited.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 304,000	USD 414,608	Citibank NA	3/03/10	\$ (669)
EUR 1,467,800	USD 2,023,491	Citibank NA	3/24/10	(24,948)
USD 21,425,096	EUR 14,828,500	Citibank NA	3/24/10	1,234,740
USD 756,103	EUR 541,500	Citibank NA	3/24/10	18,800
USD 321,195	GBP 204,500	Citibank NA	4/21/10	9,497
USD 2,349,986	GBP 1,451,500	Morgan Stanley Capital Services, Inc.	4/21/10	137,617
USD 181,633	CAD 190,000	Goldman Sachs International	4/21/10	1,076
Total				\$ 1,376,113

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
iStar Financial, Inc.	5.00%	Morgan Stanley Capital Services, Inc.	September 2011	USD 1,500	\$ (15,610)

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K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	USD	475	(3,057)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2013	USD	925	(32,364)
Louisiana-Pacific Corp.	5.00%	JPMorgan Chase Bank NA	March 2014	USD	500	(131,515)
Macy's, Inc.	8.05%	Goldman Sachs Bank USA	March 2014	USD	600	(143,867)
Centex Corp.	1.00%	Deutsche Bank AG	September 2014	USD	175	973
Limited Brands, Inc.	1.00%	Goldman Sachs Bank USA	September 2014	USD	1,000	(35,054)
Limited Brands, Inc.	1.00%	JPMorgan Chase Bank NA	September 2014	USD	50	(1,717)
American Axle and Manufacturing Inc.	5.00%	Deutsche Bank AG	December 2014	USD	375	(2,807)
Boston Scientific Corp.	1.00%	Goldman Sachs Bank USA	December 2014	USD	500	919
Brunswick Corp.	5.00%	Morgan Stanley Capital Services, Inc.	December 2016	USD	1,500	13,409
Total						\$ (350,690)

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Advanced Micro Devices, Inc.	5.00%	JPMorgan Chase Bank NA	March 2015	B	USD 550	\$ 2,053
Realogy Corp.	5.00%	Credit Suisse International	March 2015	C	USD 100	1,285
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	March 2015	C	USD 450	(14,983)
Standard Pacific Corp.	5.00%	Goldman Sachs International	March 2015	CCC	USD 250	(224)
Total						\$ (11,869)

¹ Using S&P's rating of the issuer.

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

Fair Value Measurements Various inputs are used in determining the fair value of investments, 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)

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 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, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments:				
Common Stocks	\$ 8,807,025	\$ 336,919	\$ 75,096	\$ 9,219,040
Corporate Bonds		234,382,073	3,961,360	238,343,433
Floating Rate Loan Interests		18,991,565	19,218,811	38,210,376
Other Interests			4,212,670	4,212,670
Warrants		1	150	151
Short-Term Securities	4,931,674			4,931,674
Total	\$ 13,738,699	\$ 253,710,558	\$ 27,468,087	\$ 294,917,344

Valuation Inputs	Other Financial Instruments ¹			
	Level 1	Level 2	Level 3	Total
Assets		\$ 1,423,599		\$ 1,423,599
Liabilities		(406,815)	\$ (51,643)	(458,458)
Total		\$ 1,016,784	\$ (51,643)	\$ 965,141

¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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

	Investments in Securities					
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Total
Balance, as of February 28, 2009	\$ 356	\$ 1,404,473	\$ 14,962,760	\$ 3,582		\$ 16,371,171
Accrued discounts/premiums						
Realized gain (loss)		(5,465)	(4,784,296)			(4,789,761)
Change in unrealized appreciation/depreciation ²		282,192	15,063,883			15,346,075
Net purchases (sales)		6,342	(7,162,942)			(7,156,600)
Net transfers in (out) of Level 3	74,740	2,273,818	1,139,406	4,209,088	\$ 150	7,697,202
Balance, as of February 28, 2010	\$ 75,096	\$ 3,961,360	\$ 19,218,811	\$ 4,212,670	\$ 150	\$ 27,468,087

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² 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, 2010 was \$6,741,424.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

	Other Financial Instruments³
Balance, as of February 28, 2009	
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation/depreciation ⁴	\$ (51,643)
Net purchases (sales)	
Net transfers in/out of Level 3	
Balance, as of February 28, 2010	\$ (51,643)

³ Other financial instruments are unfunded loan commitments.

⁴ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on the securities still held at February 28, 2010 was \$(51,643).

See Notes to Financial Statements.

Schedule of Investments February 28, 2010

BlackRock Corporate High Yield Fund III, Inc. (CYE)
 (Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Auto Components 0.2%		
Lear Corp. (a)	6,665	\$ 461,685
Building Products 0.6%		
Masonite Worldwide Holdings (a)	34,575	1,452,150
Capital Markets 0.2%		
E*Trade Financial Corp. (a)	296,000	476,560
Chemicals 0.1%		
Solutia, Inc. (a)	8,000	112,560
Wellman Holdings, Inc. (a)	1,522	381
		112,941
Communications Equipment 1.0%		
Brocade Communications Systems, Inc. (a)	50,000	291,000
Loral Space & Communications Ltd. (a)	64,095	2,085,010
		2,376,010
Construction Materials 0.0%		
Nortek, Inc. (a)	2,145	79,365
Containers & Packaging 0.2%		
Rock-Tenn Co., Class A	13,000	543,920
Diversified Financial Services 0.4%		
Bank of America Corp.	65,000	1,082,900
Citigroup, Inc. (a)	1	3
		1,082,903
Diversified Telecommunication Services 0.5%		
Qwest Communications International, Inc.	247,855	1,130,219
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	70,784	5,025
SunPower Corp., Class B (a)	778	12,705
		17,730
Food Products 0.0%		
Pilgrims Pride Corp. (a)	6,334	57,133

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Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (a)	1,099	6,209
Household Durables 0.4%		
Beazer Homes USA, Inc. (a)	139,500	580,320
Pulte Homes, Inc. (a)	30,000	324,900
Standard-Pacific Corp. (a)	15,000	63,300
		968,520
Machinery 0.1%		
Accuride Corp. (a)	90,983	118,278
Accuride Corp. Restricted Shares (a)	90,983	118,278
		236,556
Media 0.3%		
Gannett Co., Inc.	56,000	848,400
Paper & Forest Products 0.2%		
Ainsworth Lumber Co. Ltd. (a)	125,117	262,791
Ainsworth Lumber Co. Ltd. (a)(b)	140,415	294,922
Western Forest Products, Inc. (a)	158,023	33,041
Western Forest Products, Inc. (a)(b)	45,762	9,568
		600,322
Software 0.1%		
TiVo, Inc. (a)	31,000	293,880
Wireless Telecommunication Services 0.3%		
FiberTower Corp. (a)	76,542	315,353
SBA Communications Corp., Class A (a)	8,500	300,560
		615,913
Total Common Stocks 4.6%		11,360,416

Corporate Bonds		Par (000)		Value
Airlines 2.4%				
American Airlines, Inc., 10.50%, 10/15/12 (b)	USD	1,080	\$	1,107,000
American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13		400		403,000
Continental Airlines, Inc.:				
Series 1997-4-B, 6.90%, 7/02/18 (c)		522		480,124
Series 2001-1-C, 7.03%, 12/15/12		302		294,485
Series 2003-RJ, 7.88%, 1/02/20		440		391,931
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16		1,100		1,133,000
United Air Lines, Inc., 12.75%, 7/15/12		2,100		2,226,000
				6,035,540

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Auto Components 1.7%		
Delphi International Holdings Unsecured, 12.00%, 10/06/14	91	91,104
The Goodyear Tire & Rubber Co.:		
7.86%, 8/15/11	1,200	1,242,000
8.63%, 12/01/11	552	572,700
Icahn Enterprises LP (b):		
4.00%, 8/15/13 (d)(e)	255	224,069
8.00%, 1/15/18	2,360	2,218,400
		4,348,273
Biotechnology 0.3%		
QHP Pharma, 10.25%, 3/15/15 (b)	710	724,825
Building Products 1.1%		
Associated Materials LLC, 9.88%, 11/15/16	720	763,200
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	620	620,000
Goodman Global Group, Inc., 12.86%, 12/15/14 (b)(f)	290	168,200
Ply Gem Industries, Inc., 11.75%, 6/15/13	1,090	1,106,350
		2,657,750
Capital Markets 0.7%		
E*Trade Financial Corp. (e)(f):		
3.39%, 8/31/19 (b)	244	370,880
Series A, 3.64%, 8/31/19	7	10,640
MU Finance Plc, 8.75%, 2/01/17 (b)	GBP 422	595,209
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	USD 963	579,004
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(g)	411	90,851
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(g)	269	46,759
		1,693,343
Chemicals 2.8%		
American Pacific Corp., 9.00%, 2/01/15	880	869,000
Georgia Gulf Corp., 9.00%, 1/15/17 (b)	230	238,625
Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b)	1,820	1,701,700
Hexion U.S. Finance Corp., 9.75%, 11/15/14	310	292,950
Huntsman International LLC (b):		
6.88%, 11/15/13	EUR 280	355,528
5.50%, 6/30/16	USD 545	479,600
Innophos, Inc., 8.88%, 8/15/14	825	847,688
MacDermid, Inc., 9.50%, 4/15/17 (b)	1,260	1,260,000
Wellman Holdings, Inc. (e):		
Second Lien Subordinate Note, 10.00%, 1/29/19 (b)	844	844,000
Third Lien Subordinate Note, 5.00%, 1/29/19 (g)	269	134,759
		7,023,850

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Commercial Banks 0.1%			
Glitnir Banki HF (a)(h):			
4.38%, 2/05/10	USD	50	\$ 17,702
4.15%, 4/20/10 (b)		111	28,860
Series EMTN, 5.07%, 1/27/10	EUR	50	17,701
Series EMTN, 3.00%, 6/30/10		45	15,625
Series GMTN, 6.38%, 9/25/12 (b)	USD	500	130,000
			209,888
Commercial Services & Supplies 3.0%			
ACCO Brands Corp., 10.63%, 3/15/15 (b)		250	271,750
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		585	625,950
Scientific Games International, Inc., 9.25%, 6/15/19		855	904,162
Waste Services, Inc., 9.50%, 4/15/14		3,000	3,082,500
West Corp.: 9.50%, 10/15/14		435	431,738
11.00%, 10/15/16		2,245	2,250,612
			7,566,712
Construction Materials 1.2%			
Nortek, Inc., 11.00%, 12/01/13		2,155	2,262,260
Texas Industries, Inc., 7.25%, 7/15/13		785	763,412
			3,025,672
Consumer Finance 0.5%			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)		680	676,600
Ford Motor Credit Co. LLC: 3.00%, 1/13/12 (d)		215	201,562
7.80%, 6/01/12		200	202,114
8.00%, 12/15/16		180	180,745
			1,261,021
Containers & Packaging 4.0%			
Berry Plastics Escrow LLC, 8.88%, 9/15/14 (b)		470	452,375
Berry Plastics Holding Corp., 8.88%, 9/15/14		1,050	1,010,625
Crown European Holdings SA, 6.25%, 9/01/11	EUR	75	104,167
Graphic Packaging International, Inc., 9.50%, 6/15/17	USD	840	882,000
Impress Holdings BV, 3.38%, 9/15/13 (b)(d)		420	391,650
Owens-Brockway Glass Container, Inc.: 8.25%, 5/15/13		1,000	1,015,000

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6.75%, 12/01/14	EUR	155	211,057
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	USD	1,090	867,912
Pregis Corp., 12.38%, 10/15/13		1,200	1,191,000
Rock-Tenn Co., 8.20%, 8/15/11		2,000	2,155,000
Smurfit Kappa Acquisitions (b):			
7.25%, 11/15/17	EUR	495	660,539
7.75%, 11/15/19		470	636,778
Solo Cup Co., 10.50%, 11/01/13	USD	475	497,563
			10,075,666

Diversified Consumer Services 1.2%

Service Corp. International, 7.00%, 6/15/17		3,000	2,940,000
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Diversified Financial Services 8.6%

Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		520	562,900
CIT Group, Inc.:			
7.00%, 5/01/16		1,341	1,187,215
7.00%, 5/01/17		5,740	5,072,796
FCE Bank Plc:			
7.88%, 2/15/11	GBP	700	1,075,371
7.13%, 1/16/12	EUR	1,800	2,429,412
7.13%, 1/15/13		1,050	1,401,144

Corporate Bonds		Par (000)	Value
Diversified Financial Services (concluded)			
GMAC LLC:			
7.25%, 3/02/11	USD	464	\$ 468,060
6.88%, 9/15/11		500	500,000
6.88%, 8/28/12		600	594,000
2.45%, 12/01/14 (d)		464	396,950
6.75%, 12/01/14		1,020	974,100
8.30%, 2/12/15 (b)		2,160	2,178,900
8.00%, 11/01/31		1,140	1,051,650
General Motors Acceptance Corp. of Canada Ltd., 6.00%, 5/25/10	CAD	300	281,502
Leucadia National Corp., 8.13%, 9/15/15	USD	1,325	1,344,875
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		1,460	1,478,250
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	400	543,306
			21,540,431

Diversified Telecommunication Services 3.8%

Broadview Networks Holdings, Inc., 11.38%, 9/01/12	USD	1,035	993,600
GCI, Inc., 8.63%, 11/15/19 (b)		1,200	1,219,500
Level 3 Financing, Inc., 10.00%, 2/01/18 (b)		680	623,900
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		215	230,050
Qwest Communications International, Inc.:			
7.50%, 2/15/14		2,020	2,040,200
8.00%, 10/01/15 (b)		600	621,000
Series B, 7.50%, 2/15/14		1,730	1,747,300
Qwest Corp.:			

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7.63%, 6/15/15	525	561,094
8.38%, 5/01/16	680	744,600
Windstream Corp., 8.13%, 8/01/13	760	790,400
		9,571,644

Electric Utilities 1.2%

Intergen NV, 9.00%, 6/30/17 (b)	420	428,400
NSG Holdings LLC, 7.75%, 12/15/25 (b)	1,030	890,950
Tenaska Alabama Partners LP, 7.00%, 6/30/21 (b)	1,810	1,813,700
		3,133,050

Electronic Equipment, Instruments & Components 0.1%

Jabil Circuit, Inc., 7.75%, 7/15/16	295	305,325
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Energy Equipment & Services 1.4%

Compagnie Générale de Géophysique-Veritas:		
7.50%, 5/15/15	215	210,700
7.75%, 5/15/17	320	313,600
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	1,835	1,825,825
North American Energy Alliance LLC, 10.88%, 6/01/16 (b)	665	704,900
North American Energy Partners, Inc., 8.75%, 12/01/11	375	373,125
		3,428,150

Food & Staples Retailing 0.8%

AmeriQual Group LLC, 9.50%, 4/01/12 (b)	800	720,000
Duane Reade, Inc., 11.75%, 8/01/15	165	207,900
Rite Aid Corp.:		
9.75%, 6/12/16	410	437,675
10.25%, 10/15/19	670	708,525
		2,074,100

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Food Products 0.7%			
B&G Foods, Inc., 7.63%, 1/15/18	USD	220	\$ 222,200
Reddy Ice Corp., 11.25%, 3/15/15 (b)(i)		440	440,000
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		780	844,350
TreeHouse Foods, Inc., 7.75%, 3/01/18 (i)		160	164,200
			1,670,750
Health Care Equipment & Supplies 1.3%			
DJO Finance LLC:			
10.88%, 11/15/14		1,670	1,786,900
10.88%, 11/15/14 (b)		600	642,000
Hologic, Inc., 2.00%, 12/15/37 (e)(j)		955	816,525
			3,245,425
Health Care Providers & Services 3.5%			
Community Health Systems, Inc., Series WI,			
8.88%, 7/15/15		1,460	1,511,100
HCA, Inc., 9.13%, 11/15/14		1,785	1,876,481
LifePoint Hospitals, Inc., 3.50%, 5/15/14 (e)		110	100,788
Tenet Healthcare Corp. (b):			
9.00%, 5/01/15		1,564	1,638,290
10.00%, 5/01/18		644	708,400
8.88%, 7/01/19		1,289	1,359,895
Vanguard Health Holding Co.II LLC, 8.00%, 2/01/18 (b)		1,555	1,527,787
			8,722,741
Health Care Technology 0.8%			
IMS Health, Inc., 12.50%, 3/01/18 (b)		1,770	2,035,500
Hotels, Restaurants & Leisure 2.9%			
Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(b)(h)			
		439	26,340
Harrah's Operating Co., Inc., 11.25%, 6/01/17		1,100	1,141,250
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(h)		1,550	751,750
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(h)		1,290	325,725
MGM Mirage:			
13.00%, 11/15/13		1,155	1,316,700
10.38%, 5/15/14 (b)		255	270,300
11.13%, 11/15/17 (b)		820	885,600
Pinnacle Entertainment, Inc., 8.63%, 8/01/17 (b)		685	650,750

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San Pasqual Casino, 8.00%, 9/15/13 (b)	975	926,250
Scientific Games Corp., 0.75%, 12/01/24 (e)(j)	280	271,950
Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)	60	47,700
Travelport LLC: 4.88%, 9/01/14 (d)	160	148,800
9.88%, 9/01/14	210	214,725
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(h)	305	191
Virgin River Casino Corp., 9.00%, 1/15/12 (a)(g)	940	178,600
		7,156,631

Household Durables 2.3%

Beazer Homes USA, Inc., 12.00%, 10/15/17 (b)	1,345	1,499,675
Jarden Corp., 8.00%, 5/01/16	275	287,375
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	1,725	1,802,625
KB Home: 6.38%, 8/15/11	29	29,508
9.10%, 9/15/17	215	223,062
Standard Pacific Corp.: 6.25%, 4/01/14	365	328,500
7.00%, 8/15/15	265	238,500
10.75%, 9/15/16	1,225	1,277,062
		5,686,307

Corporate Bonds		Par (000)		Value
Household Products 0.1%				
Libbey Glass, Inc., 10.00%, 2/15/15 (b)	USD	135	\$	139,725
IT Services 1.4%				
Alliance Data Systems Corp., 1.75%, 8/01/13 (e)		1,645		1,521,625
First Data Corp.: 9.88%, 9/24/15		1,600		1,368,000
9.88%, 9/24/15 (b)		20		17,300
11.25%, 3/31/16		810		664,200
				3,571,125

Independent Power Producers & Energy Traders 3.8%

The AES Corp., 8.75%, 5/15/13 (b)		1,070		1,088,725
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29		610		661,088
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		1,260		1,275,750
Energy Future Holdings Corp.: 10.88%, 11/01/17		430		325,725
11.25%, 11/01/17 (g)		2,944		2,060,646
10.00%, 1/15/20 (b)		1,875		1,912,500
NRG Energy, Inc., 7.25%, 2/01/14		2,115		2,130,862
				9,455,296

Industrial Conglomerates 2.5%

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Sequa Corp. (b):		
11.75%, 12/01/15	2,340	2,293,200
13.50%, 12/01/15 (g)	3,954	3,963,896
		6,257,096
<hr/>		
Insurance 0.9%		
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,700	1,729,750
USI Holdings Corp., 4.13%, 11/15/14 (b)(d)	680	562,700
		2,292,450
<hr/>		
Internet & Catalog Retail 0.1%		
NetFlix, Inc., 8.50%, 11/15/17	355	371,863
<hr/>		
Internet Software & Services 0.3%		
Equinix, Inc, 8.13%, 3/01/18 (i)	620	620,000
<hr/>		
Leisure Equipment & Products 0.6%		
Brunswick Corp., 11.25%, 11/01/16 (b)	995	1,106,938
Easton-Bell Sports, Inc., 9.75%, 12/01/16 (b)	280	290,500
		1,397,438
<hr/>		
Life Sciences Tools & Services 0.1%		
Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 (b)	175	182,875
<hr/>		
Machinery 1.2%		
AGY Holding Corp., 11.00%, 11/15/14	980	784,000
Accuride Corp., 7.50%, 2/26/20 (e)(g)	9	15,927
Navistar International Corp.:		
3.00%, 10/15/14 (e)	510	521,475
8.25%, 11/01/21	1,000	1,015,000
RBS Global, Inc., 8.88%, 9/01/16	450	407,250
Titan International, Inc., 5.63%, 1/15/17 (b)(e)	240	252,600
		2,996,252
<hr/>		
Marine 1.1%		
Horizon Lines, Inc., 4.25%, 8/15/12 (e)	2,230	1,845,325
Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)	500	508,750
Trico Shipping AS, 11.88%, 11/01/14 (b)	330	319,688
		2,673,763

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Media 13.7%			
Affinion Group, Inc., 10.13%, 10/15/13	USD	2,460	\$ 2,484,600
CCH II LLC, 13.50%, 11/30/16		543	641,063
CCO Holdings LLC, 8.75%, 11/15/13		555	563,325
CMP Susquehanna Corp., 3.20%, 5/15/14 (b)		160	3,200
COX Enterprises, Inc.:			
Loan Close 2, 12.00%, 8/15/18		630	630,000
Loan Close 3, 12.00%, 8/15/18		735	735,000
Shares Loan, 12.00%, 8/15/18		735	735,000
CSC Holdings, Inc., 8.50%, 4/15/14 (b)		390	409,988
Cablevision Systems Corp., Series B, 8.00%, 4/15/12		1,515	1,596,431
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(g)		610	637,450
Charter Communications Operating, LLC (b):			
10.00%, 4/30/12		500	517,500
10.38%, 4/30/14		670	680,050
Clear Channel Worldwide Holdings, Inc. (b):			
Series A, 9.25%, 12/15/17		835	851,700
Series B, 9.25%, 12/15/17		3,985	4,094,587
DISH DBS Corp., 7.00%, 10/01/13		90	92,025
Gannett Co., Inc., 8.75%, 11/15/14 (b)		600	627,750
Harland Clarke Holdings Corp.:			
6.00%, 5/15/15 (d)		350	278,250
9.50%, 5/15/15		420	383,250
Intelsat Corp., 9.25%, 6/15/16		2,450	2,535,750
Intelsat Subsidiary Holding Co. Ltd., 8.88%, 1/15/15 (b)		260	263,900
Liberty Global, Inc., 4.50%, 11/15/16 (b)(e)		440	525,250
Liberty Media Corp., 3.13%, 3/30/23 (e)		1,113	1,138,043
Lighthouse International Co. SA:			
8.00%, 4/30/14	EUR	546	464,665
8.00%, 4/30/14 (b)		177	150,633
Lions Gate Entertainment, Inc., 10.25%, 11/01/16 (b)	USD	370	370,925
McClatchy Co., 11.50%, 2/15/17 (b)		260	253,500
Network Communications, Inc., 10.75%, 12/01/13		30	13,800
Nielsen Finance LLC:			
11.63%, 2/01/14		180	200,475
10.00%, 8/01/14		1,890	1,960,875
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h)		850	807,410
Rainbow National Services LLC (b):			
8.75%, 9/01/12		440	448,800
10.38%, 9/01/14		1,582	1,663,078
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	864	1,089,059
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	3,465	3,157,481
UPC Germany GmbH (b):			
8.13%, 12/01/17		600	600,000
8.13%, 12/01/17	EUR	566	778,404
9.63%, 12/01/19		995	1,368,396

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UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500	520,000
			34,271,613

Metals & Mining 5.1%

Aleris International, Inc. (a)(h):			
9.00%, 12/15/14		1,035	2,588
10.00%, 12/15/16		800	17,000
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		875	875,000
7.38%, 2/15/16		225	209,813
FMG Finance Property Ltd. (b):			
10.00%, 9/01/13		535	564,425
10.63%, 9/01/16		1,180	1,315,700

Corporate Bonds		Par (000)	Value
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Metals & Mining (concluded)

Foundation PA Coal Co., 7.25%, 8/01/14	USD	1,975	\$ 1,975,000
GoldCorp., Inc., 2.00%, 8/01/14 (b)(e)		190	212,800
McJunkin Red Man Corp., 9.50%, 12/15/16 (b)		1,245	1,248,112
Murray Energy Corp., 10.25%, 10/15/15 (b)		845	846,056
New World Resources NV, 7.38%, 5/15/15	EUR	625	757,421
Novelis, Inc.:			
7.25%, 2/15/15	USD	1,515	1,405,162
11.50%, 2/15/15		430	456,875
Ryerson, Inc.:			
7.62%, 11/01/14 (d)		400	357,000
12.00%, 11/01/15		265	272,288
Steel Dynamics, Inc., 7.38%, 11/01/12		460	468,050
Teck Resources Ltd.:			
10.25%, 5/15/16		300	357,750
10.75%, 5/15/19		670	824,100
Vedanta Resources Plc, 9.50%, 7/18/18 (b)		640	675,200
			12,840,340

Multiline Retail 1.3%

Dollar General Corp.:			
10.63%, 7/15/15		148	162,060
11.88%, 7/15/17 (g)		2,431	2,826,037
Saks, Inc., 9.88%, 10/01/11		295	306,063
			3,294,160

Oil, Gas & Consumable Fuels 7.3%

Arch Coal, Inc., 8.75%, 8/01/16 (b)		310	320,850
Atlas Energy Operating Co. LLC:			
12.13%, 8/01/17		500	562,500
10.75%, 2/01/18		260	281,450
Berry Petroleum Co., 8.25%, 11/01/16		510	511,275
Bill Barrett Corp., 9.88%, 7/15/16		240	254,100
Chesapeake Energy Corp., 2.25%, 12/15/38 (e)		800	594,000
Connacher Oil and Gas Ltd. (b):			
11.75%, 7/15/14		175	192,500
10.25%, 12/15/15		1,145	1,103,494
Crosstex Energy LP, 8.88%, 2/15/18 (b)		990	1,004,850
Denbury Resources, Inc., 8.25%, 2/15/20		900	931,500

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Encore Acquisition Co., 6.25%, 4/15/14	2,000	2,015,000
Forest Oil Corp., 7.25%, 6/15/19	470	460,600
Massey Energy Co., 3.25%, 8/01/15 (e)	1,750	1,575,000
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)(i)	2,030	2,030,000
OPTI Canada, Inc., 9.00%, 12/15/12 (b)	1,340	1,363,450
Petrohawk Energy Corp.:		
10.50%, 8/01/14	555	602,175
7.88%, 6/01/15	460	460,000
Range Resources Corp., 8.00%, 5/15/19	400	419,000
Roseton-Danskammer 2001, Series B, 7.67%, 11/08/16	1,895	1,828,675
Sabine Pass LNG LP, 7.50%, 11/30/16	390	342,225
SandRidge Energy, Inc.:		
8.63%, 4/01/15 (g)	120	118,200
9.88%, 5/15/16 (b)	500	516,250
8.00%, 6/01/18 (b)	135	129,262
Teekay Shipping Corp., 8.50%, 1/15/20	660	669,900
		18,286,256

Paper & Forest Products 4.2%

Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(g)	1,106	824,310
Boise Paper Holdings LLC, 9.00%, 11/01/17 (b)	380	391,400
Clearwater Paper Corp., 10.63%, 6/15/16 (b)	390	432,900
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,600	1,688,000
Glatfelter, 7.13%, 5/01/16 (b)	210	201,600

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Paper & Forest Products (concluded)			
NewPage Corp.:			
10.00%, 5/01/12	USD	785	\$ 451,375
11.38%, 12/31/14		5,810	5,548,550
Verso Paper Holdings LLC:			
11.50%, 7/01/14 (b)		335	351,750
Series B, 4.00%, 8/01/14 (d)		280	226,100
Series B, 9.13%, 8/01/14		325	299,000
			10,414,985
Pharmaceuticals 1.4%			
Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (d)		1,050	850,500
Elan Corp. Plc, 8.75%, 10/15/16 (b)		740	717,800
Elan Finance Plc, 8.88%, 12/01/13		105	106,575
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	958	1,206,631
Valeant Pharmaceuticals International, 8.38%, 6/15/16 (b)	USD	545	564,075
			3,445,581
Real Estate Management & Development 0.5%			
Forest City Enterprises, Inc., 7.63%, 6/01/15		1,425	1,282,500
Semiconductors & Semiconductor Equipment 1.0%			
Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)		1,250	1,265,625
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(h)		1,215	1,202,850
			2,468,475
Software 0.0%			
BMS Holdings, Inc., 7.89%, 2/15/12 (b)(d)(g)		456	9,120
Specialty Retail 1.5%			
Asbury Automotive Group, Inc., 7.63%, 3/15/17		350	330,313
General Nutrition Centers, Inc., 10.75%, 3/15/15		595	601,694
Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)(j)		1,055	825,537
Limited Brands, Inc., 8.50%, 6/15/19		785	840,931
United Auto Group, Inc., 7.75%, 12/15/16		1,110	1,058,662
			3,657,137
Textiles, Apparel & Luxury Goods 1.5%			

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Levi Strauss & Co., 8.63%, 4/01/13	EUR	1,850	2,531,658
Quiksilver, Inc., 6.88%, 4/15/15	USD	1,350	1,150,875
			3,682,533

Wireless Telecommunication Services 5.4%

Cricket Communications, Inc.:			
9.38%, 11/01/14		995	990,025
10.00%, 7/15/15		1,890	1,913,625
7.75%, 5/15/16		220	223,575
Digicel Group Ltd. (b):			
8.88%, 1/15/15		1,370	1,308,350
9.13%, 1/15/15 (g)		1,983	1,933,425
FiberTower Corp., 9.00%, 1/01/16		284	230,144
iPCS, Inc., 2.37%, 5/01/13 (d)		815	749,800
MetroPCS Wireless, Inc., 9.25%, 11/01/14		2,285	2,279,287
NII Holdings, Inc., 2.75%, 8/15/25 (e)		770	777,700
Nextel Communications, Inc.:			
Series D, 7.38%, 8/01/15		60	55,350
Series E, 6.88%, 10/31/13		1,840	1,766,400
Series F, 5.95%, 3/15/14		110	99,825
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)		275	242,000
Sprint Capital Corp., 6.88%, 11/15/28		1,270	962,025
			13,531,531

Total Corporate Bonds 101.4% 253,274,708

Floating Rate Loan Interests (d)	Par (000)	Value
Aerospace & Defense 0.1%		
Hawker Beechcraft Acquisition Co. LLC, Incremental Term Loan, 10.50%, 3/26/14	USD 274	\$ 250,482
Auto Components 1.0%		
Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14	2,266	2,075,223
Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15	401	390,756
		2,465,979
Automobiles 2.7%		
Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13	7,191	6,717,246
Building Products 1.3%		
CPG International I, Inc., Term Loan, 5.23%, 2/28/11	3,250	3,250,251
Capital Markets 0.1%		
Marsico Parent Co., LLC, Term Loan, 5.25% 5.31%, 12/15/14	381	241,724
Chemicals 1.1%		

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PQ Corp., Term Loan (First Lien), 3.48% 3.50%, 7/30/14	739	675,956
Solutia Inc., Loan, 7.25%, 2/28/14	359	364,156
Tronox Worldwide LLC: Tranche B-1 Term Loan, 9.00%, 6/24/10	1,261	1,294,219
Tranche B-2 Term Loan, 9.00%, 6/24/10	339	347,701
		2,682,032
Construction & Engineering 0.8%		
Safeway Services LLC Second Out Term Loan, 9.00%, 12/14/17	2,000	2,000,000
Consumer Finance 0.7%		
Chrysler Financial Services Americas LLC Term Loan (First Lien), 4.24%, 8/03/12	1,760	1,737,762
Diversified Telecommunication Services 1.9%		
Wind Finance SL SA, Facility (Second Lien), 7.67%, 12/17/14	EUR 3,460	4,692,418
Food & Staples Retailing 0.5%		
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15	USD 1,250	1,295,000
Hotels, Restaurants & Leisure 1.2%		
Travelport LLC (fka Travelport, Inc.), Loan, 8.25%, 3/27/12	3,198	2,926,337
IT Services 0.1%		
First Data Corp., Initial Tranche B-1 Term Loan, 2.98%, 9/24/14	347	303,387
Independent Power Producers & Energy Traders 1.2%		
Texas Competitive Electric Holdings Co., LLC (TXU): Initial Tranche B-1 Term Loan, 3.73% 3.75%, 10/10/14	216	173,742
Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14	656	527,672
Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14	2,821	2,257,000
		2,958,414
Media 2.3%		
Affinion Group Holdings, Inc., Loan, 8.39%, 3/01/12	436	412,302
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,724	1,706,513
HMH Publishing Co. Ltd.: Mezzanine, 1.26%, 11/14/14	570	70,241
Tranche A Term Loan, 5.48%, 6/12/14	1,557	1,309,580

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (d)	Par (000)	Value
Media (concluded)		
NVT Networks, LLC Exit Term Loan, 13.00%, 10/01/12	USD 61	\$61,276
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,200	1,282,500
Protostar Ltd., Debtor in Possession Term Loan, 18.00%, 3/15/10	170	169,940
Virgin Media Investment Holdings Ltd., C Facility, 3.57%, 3/03/13	GBP 255	363,229
Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12	USD 498	503,176
		5,878,757
Multiline Retail 0.1%		
The Neiman Marcus Group, Inc., Term Loan, 2.26%, 4/06/13	378	339,160
Oil, Gas & Consumable Fuels 0.7%		
Turbo Beta Ltd., Dollar Facility, 12.00%, 3/15/18	2,278	1,708,698
Paper & Forest Products 0.3%		
Verso Paper Finance Holdings LLC, PIK Loan, 7.25%, 2/01/13 (g)	1,296	712,711
Real Estate Management & Development 0.2%		
Realogy Corp.:		
Initial Term B Loan, 3.25%, 10/10/13	400	352,616
Synthetic Letter of Credit, 0.08%, 10/10/13	128	113,185
		465,801
Specialty Retail 0.3%		
Claire's Stores, Inc., Term B Loan, 3.00%, 5/29/14	279	230,219
Michaels Stores, Inc., B-1 Term Loan, 2.50% 2.56%, 10/31/13	374	336,864
Pedalgreen Ltd., PIK Loan Facility, 0.00%, 11/30/15 (g)	GBP 233	326,444
		893,527
Total Floating Rate Loan Interests 16.6%		41,519,686

Other Interests (k)	Beneficial Interest (000)	
Auto Components 1.9%		
Delphi Debtor in Possession Holding Co. LLP, Class B Membership Interests (a)	USD	(1) 4,695,239
Lear Corp. Escrow (a)		460 6,900
		4,702,139
Hotels, Restaurants & Leisure 0.0%		
Buffets, Inc. (a)		575 58
Media 0.0%		
Adelphia Escrow (a)		750 75
Adelphia Recovery Trust (a)		941 3,762
		3,837
Total Other Interests 1.9%		4,706,034

Preferred Stocks	Shares	
Diversified Financial Services 0.9%		
Citigroup, Inc. (e)	16,700	1,791,242
GMAC, Inc. (b)	590	417,591
		2,208,833

Preferred Stocks	Shares	Value
Household Durables 0.1%		
Beazer Homes USA, Inc. (e)	10,132	\$ 238,735
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (a)(b)(d)	37,314	1
Total Preferred Stocks 1.0%		2,447,569

Warrants (m)

Construction & Engineering 0.0%
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Safway US LLC (Expires 12/14/17)	367	
Containers & Packaging 0.0%		
MDP Acquisitions Plc (Expires 10/01/13)	700	29,996
Health Care Providers & Services 0.0%		
HealthSouth Corp. (Expires 1/16/14)	32,042	
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	485	5
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b)	42,640	1
New Vision Holdings LLC (Expires 9/30/14)	22,447	224
		225
Oil, Gas & Consumable Fuels 0.0%		
Turbo Cayman Ltd. (No Expiration)	1	
Total Warrants 0.0%		30,226
Total Long-Term Investments (Cost \$320,023,321) 125.5%		313,338,639
Short-Term Securities		
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.09% (n)(o)	3,276,755	3,276,755
Total Short-Term Securities (Cost \$3,276,755) 1.3%		3,276,755
Contracts		
Options Purchased		
Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/01/19, Broker Goldman Sachs Bank USA	19	3,610
Total Options Purchased (Cost \$18,578) 0.0%		3,610
Total Investments (Cost \$323,318,654*) 126.8%		316,619,004
Liabilities in Excess of Other Assets (26.8)%		(66,898,435)

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Net Assets 100.0%

\$ 249,720,569

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 324,491,999
Gross unrealized appreciation	\$ 14,881,448
Gross unrealized depreciation	(22,754,443)
Net unrealized depreciation	\$ (7,872,995)

- (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) All or a portion of security has been pledged as collateral in connection with swaps.
- (d) Variable rate security. Rate shown is as of report date.
- (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 face/shares.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) When-issued security. Unsettled when-issued security transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Citigroup Global	\$ 620,000	
JPMorgan Securities	\$ 440,000	
Morgan Stanley Capital Services, Inc.	\$ 2,030,000	
Wells Fargo Bank	\$ 164,200	\$ 4,200

- (j) 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.
- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (l) Amount is less than \$1,000.

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- (m) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (n) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	\$ 3,276,755	\$ 6,161
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ (8,370,522)	\$ 2,506

- (o) Represents the current yield as of report date.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 341,000	USD 465,087	Citibank NA	3/03/10	\$ (767)
EUR 1,097,900	USD 1,513,552	Citibank NA	3/24/10	(18,661)
USD 22,814,703	EUR 15,795,000	Citibank NA	3/24/10	1,308,369
USD 549,200	CAD 574,500	Goldman Sachs International	4/21/10	3,252
USD 94,238	GBP 60,000	Citibank NA	4/21/10	2,786
USD 667,914	GBP 414,000	Deutsche Bank AG	4/21/10	36,897
USD 1,790,620	GBP 1,106,000	Morgan Stanley Capital Services, Inc.	4/21/10	104,860
Total				\$ 1,436,736

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Beazer Homes USA, Inc.	5.00 %	Credit Suisse International	December 2011	USD 500	\$ (8,468)
K. Hovnanian Enterprises, Inc.	5.00 %	Goldman Sachs Bank USA	December 2011	USD 510	(3,283)
K. Hovnanian Enterprises, Inc.	5.00 %	Goldman Sachs Bank USA	December 2013	USD 1,000	(34,988)

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Louisiana-Pacific Corp.	5.00 %	JPMorgan Chase Bank NA	March 2014	USD	500	(131,515)
Brunswick Corp.	5.00 %	Goldman Sachs Bank USA	September 2014	USD	200	(5,653)
Centex Corp.	1.00 %	Deutsche Bank AG	September 2014	USD	188	1,043
Limited Brands, Inc.	1.00 %	Goldman Sachs Bank USA	September 2014	USD	850	(29,796)
Limited Brands, Inc.	1.00 %	JPMorgan Chase Bank NA	September 2014	USD	100	(3,435)
American Axle and Manufacturing Inc.	5.00 %	Deutsche Bank AG	December 2014	USD	375	(2,807)
Boston Scientific Corp.	1.00 %	Goldman Sachs Bank USA	December 2014	USD	525	965
Total						\$ (217,937)

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Advanced Micro Devices, Inc.	5.00%	JPMorgan Chase Bank NA	March 2015	B	USD 600	\$ 2,241
Realogy Corp.	5.00%	Credit Suisse International	March 2015	C	USD 100	1,285
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	March 2015	C	USD 475	(15,335)
Standard Pacific Corp.	5.00%	Goldman Sachs International	March 2015	CCC	USD 275	(246)
Total						\$ (12,055)

¹ Using S&P's rating of the issuer.

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

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

Fair Value Measurements Various inputs are used in determining the fair value of investments, 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)

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 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, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments:				
Common Stocks	\$ 10,749,192	\$ 531,478	\$ 79,746	\$ 11,360,416
Corporate Bonds		249,028,689	4,246,019	253,274,708
Floating Rate Loan Interests		20,383,700	21,135,986	41,519,686
Other Interests		6,901	4,699,133	4,706,034
Preferred Stocks	1,791,242	656,326	1	2,447,569
Warrants		29,996	230	30,226
Short-Term Securities	3,276,755			3,276,755
Total	\$ 15,817,189	\$ 270,637,090	\$ 30,161,115	\$ 316,615,394

Valuation Inputs	Other Financial Instruments ¹			
	Level 1	Level 2	Level 3	Total
Assets		\$ 1,465,308	\$ 95	\$ 1,465,403
Liabilities		(254,954)	(115,674)	(370,628)
Total		\$ 1,210,354	\$ (115,579)	\$ 1,094,775

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¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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

	Investments in Securities						
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Preferred Stocks	Warrants	Total
Balance, as of February 28, 2009	\$ 381	\$ 1,607,922	\$ 16,334,395	\$ 3,837			\$ 17,946,535
Accrued discounts/premiums							
Realized gain (loss)		(9,744)	(5,723,498)				(5,733,242)
Change in unrealized appreciation/depreciation ²		327,640	18,944,871		\$ 1		19,272,512
Net purchases (sales)		6,293	(8,381,378)				(8,375,085)
Net transfers in (out) of Level 3	79,365	2,313,908	(38,404)	4,695,296		\$ 230	7,050,395
Balance, as of February 28, 2010	\$ 79,746	\$ 4,246,019	\$ 21,135,986	\$ 4,699,133	\$ 1	\$ 230	\$ 30,161,115

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held at February 28, 2010 was \$9,380,836.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

	Other Financial Instruments ³		
	Assets	Liabilities	Total
Balance, as of February 28, 2009			
Accrued discounts/premiums			
Realized gain (loss)			
Change in unrealized appreciation/depreciation ⁴	\$ 95	\$ (115,674)	\$ (115,579)
Net purchases (sales)			
Net transfers in (out) of Level 3			
Balance, as of February 28, 2010	\$ 95	\$ (115,674)	\$ (115,579)

³ Other financial instruments are unfunded loan commitments.

⁴ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on the securities still held at February 28, 2010 was \$(115,579).

See Notes to Financial Statements.

Schedule of Investments February 28, 2010

BlackRock Debt Strategies Fund, Inc. (DSU)
 (Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Auto Components 0.1%		
Lear Corp. (a)	6,842	\$ 473,946
Building Products 0.7%		
Masonite Worldwide Holdings (a)	71,958	3,022,236
Neenah Enterprises Inc. (a)	144,858	2,897
		3,025,133
Chemicals 0.1%		
GEO Specialty Chemicals, Inc. (a)	339,340	130,273
Wellman Holdings, Inc. (a)	5,373	1,343
		131,616
Communications Equipment 0.9%		
Loral Space & Communications Ltd. (a)	116,985	3,805,522
Construction Materials 0.0%		
Nortek, Inc. (a)	2,970	109,890
Containers & Packaging 1.3%		
Smurfit Kappa Plc (a)	36,342	299,552
Viskase Cos., Inc. (a)	1,428,423	4,999,480
		5,299,032
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	286,757	20,360
SunPower Corp., Class B (a)	4,892	79,886
		100,246
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (a)	2,753	15,554
HRP Corp., Class B (a)(b)(c)	5,000	50
Lodgian, Inc. (a)	27,787	68,912
		84,516
Paper & Forest Products 1.3%		
Ainsworth Lumber Co. Ltd. (a)	1,190,019	2,499,470
Ainsworth Lumber Co. Ltd. (a)(b)	1,335,501	2,805,034
Western Forest Products, Inc. (a)(b)	211,149	44,148

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5,348,652

Software 0.0%		
Euramax International (a)	2,337	70,119
Specialty Retail 0.0%		
Movie Gallery, Inc. (a)	503,737	35,262
Total Common Stocks 4.4%		18,483,934

Corporate Bonds		Par (000)	
Aerospace & Defense 0.5%			
TransDigm, Inc., 7.75%, 7/15/14 (b)	USD	2,000	2,000,000
Airlines 0.5%			
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16		1,000	1,030,000
United Air Lines, Inc., 12.75%, 7/15/12		800	848,000
			1,878,000

Corporate Bonds		Par (000)	Value
Auto Components 0.2%			
The Goodyear Tire & Rubber Co., 8.63%, 12/01/11	USD	900	\$ 933,750
Venture Holdings Co. LLC (a)(d): 12.00%, 6/01/09		4,450	
Series B, 9.50%, 7/01/05 (e)		1,800	180
			933,930

Biotechnology 0.1%			
QHP Pharma, 10.25%, 3/15/15 (b)		590	602,319

Building Products 2.6%			
Building Materials Corp. of America, 7.00%, 2/15/20 (b)		1,300	1,300,000
CPG International I, Inc.: 7.18%, 7/01/12 (f)		7,500	7,125,000
10.50%, 7/01/13		1,300	1,274,000
Ply Gem Industries, Inc., 11.75%, 6/15/13		1,050	1,065,750
			10,764,750

Capital Markets 0.5%			
E*Trade Financial Corp., 4.00%, 8/31/19 (b)(g)		593	901,360
MU Finance Plc, 8.75%, 2/01/17 (b)	GBP	698	984,493
			1,885,853

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Chemicals 2.9%

American Pacific Corp., 9.00%, 2/01/15 (b)	USD	1,490	1,471,375
GEO Specialty Chemicals, Inc. (b):			
7.50%, 3/31/15 (c)(h)		4,171	2,711,012
10.00%, 3/31/15 (f)		4,106	2,668,640
Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b)		975	911,625
Huntsman International LLC, 5.50%, 6/30/16 (b)		900	792,000
Wellman Holdings, Inc. (h):			
Second Lien Subordinate Note, 10.00%, 1/29/19 (b)		2,978	2,978,000
Third Lien Subordinate Note, 5.00%, 1/29/19 (c)		953	476,964
			12,009,616

Commercial Banks 0.1%

Glitnir Banki HF (a)(d):			
4.15%, 4/20/10 (b)		184	47,840
6.38%, 9/25/12 (b)		1,115	289,900
Series EMTN, 5.07%, 1/27/10	EUR	50	17,701
Series EMTN, 3.00%, 6/30/10		75	26,042
Series GMTN, 4.38%, 2/05/10		85	30,093
			411,576

Commercial Services & Supplies 1.0%

ACCO Brands Corp., 10.63%, 3/15/15 (b)	USD	660	717,420
Clean Harbors, Inc., 7.63%, 8/15/16		1,200	1,212,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		970	1,037,900
The Geo Group, Inc., 7.75%, 10/15/17 (b)		850	860,625
West Corp., 9.50%, 10/15/14		340	337,450
			4,165,395

Communications Equipment 0.0%

Brocade Communications Systems, Inc., 6.88%, 1/15/20 (b)		165	168,300
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Construction Materials 0.8%

Nortek, Inc., 11.00%, 12/01/13		2,983	3,132,359
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Consumer Finance 0.9%

Credit Acceptance Corp., 9.13%, 2/01/17 (b)		570	567,150
Ford Motor Credit Co. LLC, 3.24% 3.26%, 1/13/12 (f)		2,680	2,512,500
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)		725	743,125
			3,822,775

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Containers & Packaging 2.9%			
Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b)	USD	2,100	\$ 2,094,750
Berry Plastics Holding Corp., 8.88%, 9/15/14		215	206,937
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR	500	650,191
Crown Americas LLC, 7.63%, 5/15/17 (b)	USD	710	738,400
Graphic Packaging International, Inc., 9.50%, 6/15/17		975	1,023,750
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)		1,920	1,528,800
Smurfit Kappa Acquisitions (b): 7.25%, 11/15/17	EUR	830	1,107,571
7.75%, 11/15/19		785	1,063,555
Smurfit Kappa Funding Plc, 7.75%, 4/01/15	USD	3,325	3,225,250
Solo Cup Co., 10.50%, 11/01/13		440	460,900
			12,100,104
Diversified Financial Services 4.9%			
Archimedes Funding III Ltd., 5.50%, 11/29/11 (b)		5,744	2,584,661
CIT Group, Inc., 7.00%, 5/01/17		4,750	4,197,812
FCE Bank Plc, 7.13%, 1/16/12	EUR	3,250	4,386,438
GMAC Inc., 5.38%, 6/06/11		436	578,840
GMAC LLC: 7.25%, 3/02/11	USD	148	149,295
6.88%, 9/15/11		900	900,000
6.88%, 8/28/12		750	742,500
6.75%, 12/01/14		2,480	2,368,400
8.30%, 2/12/15 (b)		700	706,125
8.00%, 11/01/31		1,530	1,411,425
Preferred Term Securities VI, Ltd., 2.05%, 7/01/32 (a)(b)		35,000	1,750
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		1,400	1,417,500
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	650	882,872
Saturns Investments Europe Plc, 6.19%, 6/09/14	USD	480	336,000
			20,663,618
Diversified Telecommunication Services 2.3%			
Cincinnati Bell, Inc., 8.25%, 10/15/17		1,600	1,600,000
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		390	417,300
PAETEC Holding Corp.: 8.88%, 6/30/17		349	351,618
8.88%, 6/30/17 (b)		2	1,889
Qwest Corp., 8.38%, 5/01/16		4,000	4,380,000

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Windstream Corp., 7.88%, 11/01/17		3,100		3,030,250
				9,781,057
Electric Utilities 0.3%				
NSG Holdings LLC, 7.75%, 12/15/25 (b)		1,505		1,301,825
Electronic Equipment, Instruments & Components 0.0%				
Muzak Holdings, LLC, 13.00%, 3/15/10 (a)(d)		2,675		268
Energy Equipment & Services 0.5%				
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)		2,000		1,990,000
Food & Staples Retailing 0.1%				
Duane Reade, Inc., 11.75%, 8/01/15		280		352,800
Food Products 0.9%				
B&G Foods, Inc., 7.63%, 1/15/18		900		909,000
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)		730		731,825
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		1,850		2,002,625
				3,643,450
Corporate Bonds				
		Par (000)		Value
Health Care Equipment & Supplies 0.3%				
DJO Finance LLC, 10.88%, 11/15/14	USD	1,345	\$	1,439,150
Health Care Providers & Services 2.1%				
Community Health Systems, Inc., Series WI, 8.88%, 7/15/15		3,010		3,115,350
DaVita, Inc., 7.25%, 3/15/15		980		983,675
Tenet Healthcare Corp. (b): 9.00%, 5/01/15		680		712,300
8.88%, 7/01/19		2,290		2,415,950
Vanguard Health Holding Co.II LLC, 8.00%, 2/01/18 (b)		1,470		1,444,275
				8,671,550
Health Care Technology 0.8%				
IMS Health, Inc., 12.50%, 3/01/18 (b)		2,980		3,427,000
Hotels, Restaurants & Leisure 2.3%				
HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(b)(d)		6,892		689
HRP Myrtle Beach Operations LLC (a)(b)(d): 7.38%, 4/01/12		5,000		500
12.50%, 4/01/13		5,000		500
Icahn Enterprises LP (b): 7.75%, 1/15/16		1,500		1,410,000
8.00%, 1/15/18		3,000		2,820,000
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(d)		2,560		646,400

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MGM Mirage:

13.00%, 11/15/13	430	490,200
11.13%, 11/15/17 (b)	1,340	1,447,200
Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)	380	302,100
Snoqualmie Entertainment Authority, 4.14%, 2/01/14 (b)(f)	1,015	690,200
Travelport LLC, 4.88%, 9/01/14 (f)	2,160	2,008,800
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(d)	530	331
		9,816,920

Household Durables 1.3%

Beazer Homes USA, Inc., 12.00%, 10/15/17 (b)	1,700	1,895,500
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	2,245	2,346,025
KB Home, 6.38%, 8/15/11	180	183,150
Standard Pacific Corp.:		
6.25%, 4/01/14	315	283,500
7.00%, 8/15/15	600	540,000
		5,248,175

Household Products 0.1%

Libbey Glass, Inc., 10.00%, 2/15/15 (b)	220	227,700
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IT Services 0.4%

First Data Corp.:		
9.88%, 9/24/15	145	125,425
11.25%, 3/31/16	605	496,100
SunGard Data Systems, Inc., 4.88%, 1/15/14	1,265	1,181,194
		1,802,719

Independent Power Producers & Energy Traders 2.9%

The AES Corp., 8.75%, 5/15/13 (b)	625	635,938
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	1,010	1,094,587
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,750	1,771,875

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Independent Power Producers & Energy Traders (concluded)			
Energy Future Holdings Corp.:			
11.25%, 11/01/17 (c)	USD	1,835	\$ 1,284,864
10.00%, 1/15/20 (b)		1,200	1,224,000
NRG Energy, Inc.:			
7.25%, 2/01/14		5,500	5,541,250
8.50%, 6/15/19		800	799,000
			12,351,514
Industrial Conglomerates 1.6%			
Sequa Corp. (b):			
11.75%, 12/01/15		2,850	2,793,000
13.50%, 12/01/15 (c)		4,023	4,032,902
			6,825,902
Insurance 0.9%			
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)			
		2,500	2,543,750
USI Holdings Corp., 4.13%, 11/15/14 (b)(f)			
		1,630	1,348,825
			3,892,575
Leisure Equipment & Products 0.3%			
Brunswick Corp., 11.25%, 11/01/16 (b)			
		1,225	1,362,813
Machinery 1.9%			
ESCO Corp., 4.13%, 12/15/13 (b)(f)			
		3,070	2,716,950
Navistar International Corp., 5.21% 8.47%, 11/01/21			
		2,000	2,030,000
RBS Global, Inc., 8.88%, 9/01/16			
		1,685	1,524,925
Titan International, Inc., 8.00%, 1/15/12			
		1,530	1,522,350
			7,794,225
Marine 0.2%			
Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)			
		840	854,700
Media 6.9%			
Affinion Group, Inc., 10.13%, 10/15/13			
		2,010	2,030,100
CSC Holdings, Inc., 8.50%, 4/15/14 (b)			
		680	714,850
Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14			
		5,000	3,000,000
		4,021	4,126,785

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Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b)			
DISH DBS Corp., 7.00%, 10/01/13		2,000	2,045,000
Intelsat Corp., 9.25%, 8/15/14		4,500	4,635,000
Network Communications, Inc., 10.75%, 12/01/13		20	9,200
Nielsen Finance LLC, 11.63%, 2/01/14		3,700	4,120,875
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	1,435	1,808,796
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	3,680	3,353,400
UPC Germany GmbH, 8.13%, 12/01/17 (b)		3,000	3,000,000
			28,844,006

Metals & Mining 1.9%

Aleris International, Inc. (a)(d): 9.00%, 12/15/14		1,100	2,750
10.00%, 12/15/16		1,500	31,875
Murray Energy Corp., 10.25%, 10/15/15 (b)		790	790,988
RathGibson, Inc., 11.25%, 2/15/14 (a)(d)		4,440	1,426,350
Ryerson, Inc., 7.62%, 11/01/14 (f)(i)		3,595	3,208,537
Teck Resources Ltd., 10.75%, 5/15/19		1,875	2,306,250
			7,766,750

Corporate Bonds		Par (000)	Value
Multiline Retail 0.6%			
Dollar General Corp., 11.88%, 7/15/17 (c)	USD	1,775	\$ 2,063,437
Saks, Inc., 9.88%, 10/01/11		235	243,813
			2,307,250

Oil, Gas & Consumable Fuels 2.5%

Arch Coal, Inc., 8.75%, 8/01/16 (b)		1,250	1,293,750
Atlas Energy Operating Co. LLC: 12.13%, 8/01/17		1,440	1,620,000
10.75%, 2/01/18		355	384,288
Crosstex Energy LP, 8.88%, 2/15/18 (b)		620	629,300
Denbury Resources, Inc.:			
9.75%, 3/01/16		925	996,687
8.25%, 2/15/20		670	693,450
El Paso Corp., 7.00%, 6/15/17		1,500	1,504,603
Forest Oil Corp.:			
8.50%, 2/15/14 (b)		470	485,275
7.25%, 6/15/19		150	147,000
Massey Energy Co., 6.88%, 12/15/13		1,300	1,290,250
OPTI Canada, Inc., 9.00%, 12/15/12 (b)		1,000	1,017,500
Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 (b)		1,760	440,000
			10,502,103

Paper & Forest Products 3.7%

Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)		4,206	3,133,876
Clearwater Paper Corp., 10.63%, 6/15/16 (b)		640	710,400

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Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	2,950	3,112,250
NewPage Corp.:		
10.00%, 5/01/12	820	471,500
11.38%, 12/31/14	6,745	6,441,475
Verso Paper Holdings LLC:		
11.50%, 7/01/14 (b)	550	577,500
Series B, 4.00%, 8/01/14 (f)	1,365	1,102,238
		15,549,239

Pharmaceuticals 0.8%

Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (f)	1,770	1,433,700
Elan Corp. Plc, 8.75%, 10/15/16 (b)	965	936,050
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR 862	1,085,716
		3,455,466

Real Estate Investment Trusts (REITs) 0.2%

Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b)	USD 1,010	1,020,100
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Semiconductors & Semiconductor Equipment 1.1%

Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)	1,050	1,063,125
STATS ChipPAC Ltd.:		
7.50%, 7/19/10	285	287,494
6.75%, 11/15/11	615	612,693
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(d)	2,720	2,692,800
		4,656,112

Software 0.1%

BMS Holdings, Inc., 7.89%, 2/15/12 (b)(c)	1,702	34,037
JDA Software Group, Inc., 8.00%, 12/15/14 (b)	282	290,460
		324,497

Specialty Retail 0.5%

General Nutrition Centers, Inc., 10.75%, 3/15/15	910	920,238
United Auto Group, Inc., 7.75%, 12/15/16	1,380	1,316,175
		2,236,413

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Textiles, Apparel & Luxury Goods 0.5%			
Levi Strauss & Co., 8.63%, 4/01/13	EUR	1,550	\$ 2,121,119
Wireless Telecommunication Services 2.6%			
Cricket Communications, Inc., 7.75%, 5/15/16	USD	3,250	3,302,812
Digicel Group Ltd., 9.13%, 1/15/15 (b)(c)		4,248	4,141,800
MetroPCS Wireless, Inc., 9.25%, 11/01/14		2,860	2,852,850
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)		755	664,400
			10,961,862
Total Corporate Bonds 58.5%			245,067,855
Floating Rate Loan Interests (f)			
Aerospace & Defense 0.1%			
Hawker Beechcraft Acquisition Co. LLC, Incremental Term Loan, 10.50%, 3/26/14		474	432,650
Airlines 0.5%			
Delta Air Lines, Inc., Credit-Linked Deposit Loan, 0.08% 2.25%, 4/30/12		1,960	1,830,967
Auto Components 2.1%			
Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14		7,442	6,814,808
Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15		1,245	1,212,928
The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.34%, 4/30/14		750	695,938
Lear Corp. (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14		225	225,467
			8,949,141
Automobiles 1.0%			
Ford Motor Co.:			
Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13		1,985	1,839,298
Tranche B-2 Term Loan, 3.26%, 12/15/13		2,244	2,080,031
			3,919,329

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Beverages 0.2%

Culligan International Co., Loan (Second Lien), 5.17%, 4/24/13	EUR	1,500	844,226
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Building Products 1.7%

Building Materials Corp. of America: Second Lien Term Loan, 6.00%, 9/15/14		2,425	2,386,200
Term Loan Advance, 3.00%, 2/22/14	USD	2,052	1,997,782
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		2,710	2,721,003

7,104,985

Chemicals 3.1%

Ashland Inc., Term B Borrowing, 7.65%, 5/13/14		548	554,127
Chemtura Corp., Term Facility, 6.00%, 1/26/11		1,600	1,607,000
Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14		800	804,000
Nalco Co., Term Loan, 6.50%, 5/13/16		1,716	1,728,390
PQ Corp., Term Loan (First Lien), 3.48% 3.50%, 7/30/14		1,970	1,802,550
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14		1,600	1,604,800
Solutia Inc., Loan, 7.25%, 2/28/14		2,384	2,415,505
Tronox Worldwide: Tranche B-1 Term Loan, 9.00%, 6/24/10		2,049	2,103,106
Tranche B-2 Term Loan, 9.00%, 6/24/10		551	565,014

13,184,492

Floating Rate Loan Interests (f)		Par (000)	Value
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Commercial Services & Supplies 1.5%

ARAMARK Corp., Facility Letter of Credit, 0.09%, 1/26/14	USD	116	\$ 111,093
ARAMARK Corp., US Term Loan, 2.13%, 1/26/14		1,771	1,689,250
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14		388	390,475
John Maneely Co., Term Loan, 3.50%, 12/09/13		1,060	993,291
Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14		790	696,395
West Corp., Incremental Term B-3 Loan, 7.25%, 10/24/13		2,240	2,262,706

6,143,210

Construction & Engineering 0.7%

Safeway Services, LLC, First Out Term Loan, 9.00%, 12/14/17		2,750	2,750,000
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Consumer Finance 1.4%

Chrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24% 6.25%, 8/03/12		5,961	5,884,582
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Containers & Packaging 0.8%

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Anchor Glass Term Loan B 6.00%, 2/18/16	1,300	1,295,938
Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15	898	803,185
Graham Packaging Co., LP, B Term Loan, 2.50%, 10/07/11	1,280	1,262,663
		3,361,786
Diversified Consumer Services 1.9%		
Coinmach Service Corp., Term Loan, 3.26%, 11/14/14	5,158	4,461,579
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14	3,491	3,459,567
		7,921,146
Diversified Financial Services 1.0%		
CIT Group, Inc., Tranche 2A Term Loan, 9.50%, 1/20/12	3,002	3,075,686
Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15	1,200	1,207,500
		4,283,186
Diversified Telecommunication Services 1.6%		
Cavtel Holdings, LLC, Term Loan, 8.50%, 12/31/12	871	745,227
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14	4,594	3,456,770
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13	1,617	1,615,720
US Telepacific Corp., Second Lien Term Loan, 7.75%, 7/25/15	775	776,453
		6,594,170
Electrical Equipment 0.1%		
Generac Acquisition Corp., Term Loan (First Lien), 2.75%, 11/10/13	408	373,906
Energy Equipment & Services 0.8%		
Dresser, Inc.:		
Term Loan B, 2.48% 2.50%, 5/04/15	162	151,218
Term Loan (Second Lien), 6.00%, 5/04/15	1,463	1,368,157
MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16	1,921	1,886,510
		3,405,885
Food & Staples Retailing 2.1%		
AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15	GBP 1,700	2,322,156
DSW Holdings, Inc. Loan, 4.25%, 3/02/12	USD 800	704,000

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)		Par (000)	Value
Food & Staples Retailing (concluded)			
Pilot Travel Centers, Term Loan B, 3.50%, 11/18/15	USD	2,500	\$ 2,511,590
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15		2,250	2,331,000
SUPERVALU Inc., Term B Advance, 1.48%, 6/02/12		1,084	1,051,009
			8,919,755
Food Products 2.5%			
Dole Food Co., Inc.:			
Credit-Linked Deposit, 0.17%, 8/30/10		288	288,238
Term Loan B, 5.50%, 2/10/17		1,088	1,088,780
Term Loan C, 5.50%, 2/10/17		2,612	2,613,071
Tranche B Term Loan, 8.00%, 4/12/13		501	501,262
Pilgrim s Pride Corp., Term Loan A, 0.00%, 12/01/12		1,000	985,000
Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14		3,200	3,213,142
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		1,626	1,626,359
			10,315,852
Health Care Equipment & Supplies 0.9%			
Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15		648	627,124
DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14		3,096	2,991,927
			3,619,051
Health Care Providers & Services 2.9%			
CCS Medical, Inc. (Chronic Care), Loan Debtor In Possession, 15.00%, 3/31/10		31	31,247
CHS/Community Health Systems, Inc.:			
Delayed Draw Term Loan, 2.50%, 7/25/14		181	168,725
Term Loan, 2.50%, 7/25/14		3,563	3,328,890
DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12		600	585,975
Fresenius SE:			
Tranche B1 Term Loan, 6.75%, 9/10/14		334	336,020
Tranche B2 Term Loan, 6.75%, 9/10/14		233	234,460
HCA Inc., Tranche A-1 Term Loan, 1.75%, 11/16/12		5,618	5,305,314
Vanguard Health Holding Company II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16		2,100	2,102,625

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Tranche B Term Loan, 3.98%, 4/02/13	75	72,692
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14	2,932	2,358,057
Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14	197	157,980
		3,491,743
Industrial Conglomerates 0.3%		
Sequa Corp., Term Loan, 3.51% 3.94%, 12/03/14	1,394	1,274,633
Insurance 0.1%		
Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14	594	560,516
Internet & Catalog Retail 0.3%		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14	1,212	1,211,801
Machinery 1.2%		
Accuride Corp., Term Loan, 9.75%, 1/31/12	2,045	2,040,740
Bucyrus International, Term Loan C, 4.50%, 1/26/16	1,500	1,507,950
Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13	1,271	1,270,172
		4,818,862
Media 10.1%		
Affinion Group Holdings, Inc., Loan, 8.39%, 3/01/12	3,062	2,893,179
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	2,539	2,513,500
Cequel Communications, LLC, Tranche B PIK Facility (Second Lien), 6.25%, 5/05/14	2,978	2,982,616

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)		Par (000)	Value
Media (concluded)			
Charter Communications Operating, LLC, New Term Loan, 2.23%, 3/06/14	USD	5,000	\$ 4,663,860
EB Sports Corp., Loan, 11.50%, 12/31/15		1,398	1,300,251
Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11		6,303	1,764,771
HMH Publishing Co. Ltd.:			
Mezzanine, 1.25%, 11/14/14		1,265	155,964
Tranche A Term Loan, 5.48%, 6/12/14		2,692	2,264,663
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50%, 3/10/14		744	332,449
Lamar Media Corp.:			
Series B, Incremental Loan, 5.50% 5.75%, 9/28/12		900	892,875
Term Loan, 5.50% 5.75%, 9/28/12		1,543	1,531,495
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):			
Facility B1, 3.34%, 6/30/15	EUR	337	314,143
Facility C1, 3.59%, 6/30/16		674	628,285
Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17	USD	998	996,243
Multicultural Radio Broadcasting, Inc., Term Loan, 2.99%, 12/18/12		380	301,625
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13		4,250	4,542,188
Penton Media, Inc., Loan (Second Lien), 9.25%, 2/01/14 (a)(d)		1,000	133,333
Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15		1,000	1,005,000
Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16	EUR	1,900	2,556,962
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12	USD	2,169	1,906,592
UPC Financing Partnership Facility Term Loan, 3.93%, 12/30/16		2,000	1,944,000
Virgin Media Investment Holdings Ltd.:			
B7 Facility, 4.40%, 9/03/12	GBP	23	34,747
C Facility, 4.40%, 9/03/12		516	766,740
C Facility, 3.58%, 7/17/13		1,975	2,813,241
Term Loan B, 3.57%, 9/03/12		621	923,066
Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance Term Loan, 9.00%, 7/23/12	USD	797	805,082
Yell Group Plc, TPI Term Loan A, 7.12%, 8/09/11		1,500	1,436,250
			42,403,120
Metals & Mining 1.4%			

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Euramax International, Inc.:		
Domestic Term Loan (Cash Pay), 10.00%, 6/29/13	1,286	1,042,012
Domestic Term Loan, 3.00% 11.00%, 6/29/13	1,318	1,067,414
RathGibson, Inc., Loan Debtor In Possession, 10.75%, 6/30/10 (c)	3,665	3,665,418
		5,774,844

Multi-Utilities 0.6%		
Energy Transfer Equity, LP, Term Loan, 1.98%, 11/01/12	750	739,682
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):		
Synthetic Letter of Credit, 0.16%, 11/01/13	53	49,150
Term Advance (Second Lien), 4.81%, 5/01/14	750	688,750
Term B Advance (First Lien), 2.75%, 11/01/13	572	533,868
USPF Holdings, LLC, Term Loan, 1.98%, 4/11/14	607	599,897
		2,611,347

Floating Rate Loan Interests (f)	Par (000)	Value
Multiline Retail 1.4%		
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	USD 2,179	\$ 2,095,847
Hema Holding BV, Facility D, 5.42%, 1/01/17	EUR 2,900	3,316,994
The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13	USD 665	596,875
		6,009,716

Oil, Gas & Consumable Fuels 1.9%		
Big West Oil, LLC:		
Delayed Advance Loan, 4.50%, 5/15/14	1,117	1,094,558
Initial Advance Loan, 4.50%, 5/15/14	888	870,391
Initial Advance Loan, 9.75%, 1/26/15	1,500	1,507,500
Turbo Beta Ltd., USD Mezzanine Facility, 14.50%, 3/15/18	6,110	4,582,418
		8,054,867

Paper & Forest Products 0.7%		
Georgia-Pacific LLC, Term Loan B,		
2.25% 2.26%, 12/23/12	803	784,309
Verso Paper Finance Holdings LLC, PIK Loan, 7.25%, 2/01/13 (c)	4,069	2,237,803
		3,022,112

Personal Products 0.3%		
American Safety Razor Co., LLC:		
Loan (Second Lien), 6.51%, 1/30/14	1,075	628,875
Term Loan (First Lien), 2.75% 2.76%, 7/31/13	749	679,511

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		1,308,386
Pharmaceuticals 1.0%		
Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14	1,220	1,220,034
Warner Chilcott Corp.:		
Additional Term Loan, 5.75%, 4/30/15	930	930,253
Term B-1 Loan, 5.75%, 4/30/15	610	609,751
Term B-2 Loan, 5.75%, 4/30/15	1,342	1,341,452
		4,101,490
Professional Services 0.4%		
Booz Allen Hamilton Inc., Term Loan C, 6.00%, 7/31/15	1,750	1,755,469
Real Estate Management & Development 0.7%		
Enclave, First Lien Term Loan, 6.14%, 3/01/12 (a)(d)	4,000	434,252
Georgian Towers, B7, 6.14%, 3/01/12	4,000	413,472
Realogy Corp.:		
Delayed Draw Term B Loan, 3.25%, 10/10/13	723	637,687
Term Loan (Second Lien), 13.50%, 10/15/17	1,500	1,631,250
		3,116,661
Specialty Retail 0.8%		
Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13	814	785,205
Michaels Stores, Inc.:		
B-1 Term Loan, 2.50% 2.56%, 10/31/13	1,202	1,082,146
B-2 Term Loan, 4.75% 4.81%, 7/31/16	1,448	1,379,487
		3,246,838
Wireless Telecommunication Services 0.2%		
MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13	997	960,955
Total Floating Rate Loan Interests 56.5%		236,711,778

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)
(Percentages shown are based on Net Assets)

Other Interests (j)		Beneficial Interest (000)	Value
Airlines 0.0%			
Delta Air Lines, Inc. Default 8.33% Escrow	USD	5,505	\$ 96,888
Delta Air Lines, Inc. Default 10% Escrow		4,200	73,920
			170,808
Auto Components 0.1%			
Intermet Liquidating Trust Class A		1,354	394,800
Diversified Financial Services 0.3%			
J. G. Wentworth LLC Preferred Equity Interests		1	1,144,914
Hotels, Restaurants & Leisure 0.0%			
Buffets, Inc.		1,440	144
Household Durables 0.2%			
Stanley Martin Class B Membership Units		2	675,000
Media 0.0%			
Adelphia Escrow		7,500	750
Adelphia Preferred Escrow		5	1
Adelphia Recovery Trust		9,406	37,624
Adelphia Recovery Trust, Series ACC-6B INT		500	50
			38,425
Specialty Retail 0.0%			
Movie Gallery, Inc. Default Escrow		21,700	217
Total Other Interests 0.6%			2,424,308

Warrants (k)

Shares

Building Products 0.0%		
Neenah Enterprises Inc. (Expires 9/30/13)	130,547	1
Health Care Providers & Services 0.0%		
HealthSouth Corp. (Expires 1/16/14)	126,761	1
Hotels, Restaurants & Leisure 0.0%		

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Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	1,216	12
Media 0.0%		
Charter Communications (Expires 11/30/14)	12,661	50,644
Oil, Gas & Consumable Fuels 0.0%		
Turbo Cayman Ltd. (No Expiration)	4	
Specialty Retail 0.0%		
Movie Gallery, Inc. (Expires 5/15/15)	62,323	31,162
Total Warrants 0.0%		81,820
Total Long-Term Investments (Cost \$596,533,280) 120.0%		502,769,695
Short-Term Securities		
BlackRock Liquidity Fund, TempFund, Institutional Class, 0.09% (1)(m)	1,319,723	1,319,723
Total Short-Term Securities (Cost \$1,319,723) 0.3%		1,319,723
Total Investments (Cost \$597,853,003*) 120.3%		504,089,418
Liabilities in Excess of Other Assets (20.3)%		(84,867,430)
Net Assets 100.0%		\$ 419,221,988

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 597,507,666
Gross unrealized appreciation	\$ 21,944,450
Gross unrealized depreciation	(115,158,398)
Net unrealized depreciation	\$ (93,213,948)

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

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- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) As a result of bankruptcy proceedings, the company did not repay the principal amount or accrued interest of the security upon maturity.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Represents a zero-coupon bond. Rate shown is as of report date.
- (h) Convertible security.
- (i) All or a portion of security has been pledged as collateral in connection with swaps.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) 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.
- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	\$ 1,319,723	\$ 7,984
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ (4,725,260)	\$ 735

- (m) 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. These industry classifications are unaudited.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)		
EUR	105,400	USD	144,302	Citibank NA	3/24/10	\$ (790)
USD	24,007,201	EUR	16,660,000	Citibank NA	3/24/10	1,323,090
GBP	1,393,500	USD	2,186,698	Citibank NA	4/21/10	(62,733)
USD	2,685,774	CAD	2,809,500	Goldman Sachs International	4/21/10	15,904
USD	2,218,791	GBP	1,389,000	Citibank NA	4/21/10	101,684
USD	1,104,318	GBP	684,500	Deutsche Bank AG	4/21/10	61,006
USD	2,410,698	GBP	1,489,000	Morgan Stanley Capital Services, Inc.	4/21/10	141,172
Total						\$ 1,579,333

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Debt Strategies Fund, Inc. (DSU)

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	USD 855	\$ (5,503)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2012	USD 425	2,917
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	USD 325	(9,186)
Boston Scientific Corp.	1.00%	Goldman Sachs Bank USA	December 2014	USD 900	1,654
Total					\$ (10,118)

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²	Unrealized Depreciation
BAA Ferrovial Junior Term Loan	2.00%	Deutsche Bank AG	March 2012	A	GBP 900	\$ (94,696)

¹ Using S&P's rating of the issuer.² The maximum potential amount the Fund may pay should a negative credit take place as defined under the terms of the agreement.

Fair Value Measurements Various inputs are used in determining the fair value of investments, 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, repayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

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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)

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 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, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments:				
Common Stocks	\$ 15,067,673	\$ 3,104,586	\$ 311,675	\$ 18,483,934
Corporate Bonds		233,262,647	11,805,208	245,067,855
Floating Rate				
Loan Interests		178,228,733	58,483,045	236,711,778
Other Interests		170,808	2,253,500	2,424,308
Warrants		50,645	31,175	81,820
Short-Term Securities	1,319,723			1,319,723
Total	\$ 16,387,396	\$ 414,817,419	\$ 72,884,603	\$ 504,089,418

Valuation Inputs	Other Financial Instruments ³			
	Level 1	Level 2	Level 3	Total
Assets		\$ 1,647,427		\$ 1,647,427
Liabilities		(78,212)	\$ (94,696)	(172,908)
Total		\$ 1,569,215	\$ (94,696)	\$ 1,474,519

³ Other financial instruments are swaps, foreign currency exchange contracts and options. Swaps and foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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

	Investments in Securities					
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Total
Balance, as of February 28, 2009	\$ 131,666	\$ 12,983,142	\$ 92,859,804	\$ 38,643	\$ 31,161	\$ 106,044,416
Accrued discounts/premiums						
Realized gain (loss)		(1,313,777)	(38,579,562)			(39,893,339)
		1,072,125	74,319,010			75,391,135

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Change in unrealized appreciation/depreciation⁴

Net purchases (sales)		18,392	(64,102,827)			(64,084,435)
Net transfers in (out) of Level 3	180,009	(954,674)	(6,013,380)	2,214,857	14	(4,573,174)
Balance, as of February 28, 2010	\$ 311,675	\$ 11,805,208	\$ 58,483,045	\$ 2,253,500	\$ 31,175	\$ 72,884,603

⁴ 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, 2010 was \$19,573,307.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

	Other Financial Instruments⁵
Balance, as of February 28, 2009	\$ (249,620)
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation/depreciation ⁶	154,924
Net purchases (sales)	
Net transfers in/out of Level 3	
Balance, as of February 28, 2010	\$ (94,696)

⁵ Other financial instruments are swaps.

⁶ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on the securities still held at February 28, 2010 was \$154,924.

See Notes to Financial Statements.

Schedule of Investments February 28, 2010

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

Common Stocks	Shares	Value
Building Products 0.3%		
Masonite Worldwide Holdings (a)	10,036	\$ 421,512
Chemicals 0.0%		
GEO Specialty Chemicals, Inc. (a)	10,732	4,120
Wellman Holdings, Inc. (a)	181	45
		4,165
Construction Materials 0.0%		
Nortek, Inc. (a)	710	26,270
Electrical Equipment 0.1%		
Medis Technologies Ltd. (a)	13,053	927
SunPower Corp., Class B (a)	5,332	87,072
		87,999
Total Common Stocks 0.4%		539,946

Corporate Bonds	Par (000)	
Airlines 0.2%		
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	USD 300	309,000
Auto Components 0.0%		
Delphi International Holdings Unsecured, 12.00%, 10/06/14	16	16,153
Building Products 2.4%		
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	425	425,000
CPG International I, Inc., 7.18%, 7/01/12 (c)	3,000	2,850,000
		3,275,000
Capital Markets 0.4%		
E*Trade Financial Corp., 4.00% 8/31/19 (b)(d)(e)	46	69,920
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	593	356,541
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(f)	253	56,062
	164	28,522

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Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(f)				
				511,045

Chemicals 0.7%

GEO Specialty Chemicals, Inc.:				
7.50%, 3/31/15 (b)(d)(f)	702			456,366
10.00%, 3/31/15	690			448,864
Wellman Holdings, Inc., Third Lien Subordinate Note, 5.00%, 1/29/19 (d)(f)	190			95,287
				1,000,517

Commercial Services & Supplies 0.5%

Clean Harbors, Inc., 7.63%, 8/15/16	400			404,000
The Geo Group, Inc., 7.75%, 10/15/17 (b)	300			303,750
				707,750

Communications Equipment 0.0%

Brocade Communications Systems, Inc., 6.88%, 1/15/20 (b)	55			56,100
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Construction Materials 0.5%

Nortek, Inc., 11.00%, 12/01/13	713			748,813
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Consumer Finance 0.6%

Credit Acceptance Corp., 9.13%, 2/01/17 (b)	190			189,050
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)	675			691,875
				880,925

Corporate Bonds		Par (000)		Value
Containers & Packaging 2.5%				
Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b)	USD	900	\$	897,750
Clondalkin Acquisition BV, 2.25%, 12/15/13 (b)(c)		1,500		1,338,750
Crown European Holdings SA, 6.25%, 9/01/11	EUR	11		15,278
Owens Brockway Glass Container, Inc., 6.75%, 12/01/14		113		153,867
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	USD	380		302,575
Smurfit Kappa Acquisitions (b):				
7.25%, 11/15/17	EUR	275		366,966
7.75%, 11/15/19		265		359,035
				3,434,221

Diversified Financial Services 2.6%

CIT Group, Inc., 7.00%, 5/01/17	USD	1,585		1,400,744
FCE Bank Plc, 7.13%, 1/16/12	EUR	400		539,869
GMAC, Inc., 8.30%, 2/12/15 (b)	USD	950		958,313
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		400		405,000

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Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	200	271,653
			3,575,579
Diversified Telecommunication Services 1.7%			
Cincinnati Bell, Inc., 8.25%, 10/15/17	USD	600	600,000
PAETEC Holding Corp., 8.88%, 6/30/17		125	125,937
Qwest Communications International, Inc., 8.00%, 10/01/15 (b)		300	310,500
Qwest Corp., 8.38%, 5/01/16		240	262,800
Windstream Corp., 7.88%, 11/01/17		1,000	977,500
			2,276,737
Energy Equipment & Services 0.5%			
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)		750	746,250
Food & Staples Retailing 0.3%			
AmeriQual Group LLC, 9.50%, 4/01/12 (b)		250	225,000
Duane Reade, Inc., 11.75%, 8/01/15		100	126,000
			351,000
Food Products 1.0%			
B&G Foods, Inc., 7.63%, 1/15/18		300	303,000
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)		240	240,600
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		760	822,700
			1,366,300
Health Care Equipment & Supplies 0.5%			
DJO Finance LLC, 10.88%, 11/15/14		685	732,950
Health Care Providers & Services 1.8%			
DaVita, Inc., 6.63%, 3/15/13		455	456,137
Tenet Healthcare Corp. (b): 9.00%, 5/01/15		95	99,513
8.88%, 7/01/19		1,335	1,408,425
Vanguard Health Holding Co. II LLC, 8.00%, 2/01/18 (b)		485	476,512
			2,440,587
Health Care Technology 0.8%			
IMS Health, Inc., 12.50%, 3/01/18 (b)		980	1,127,000
Hotels, Restaurants & Leisure 1.9%			
Icahn Enterprises LP (b): 7.75%, 1/15/16		500	470,000
8.00%, 1/15/18		1,000	940,000
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(g)		1,565	395,162
Travelport LLC, 4.88%, 9/01/14 (c)		815	757,950
			2,563,112

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Household Products 0.1%			
Libbey Glass, Inc., 10.00%, 2/15/15 (b)	USD	75	\$ 77,625
IT Services 0.1%			
First Data Corp., 9.88%, 9/24/15		225	194,625
Independent Power Producers & Energy Traders 2.1%			
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		1,215	1,230,187
NRG Energy, Inc., 7.25%, 2/01/14		1,660	1,672,450
			2,902,637
Industrial Conglomerates 0.9%			
Sequa Corp. (b):			
11.75%, 12/01/15		320	313,600
13.50%, 12/01/15 (f)		879	880,864
			1,194,464
Marine 0.2%			
Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)		280	284,900
Media 3.2%			
Affinion Group, Inc., 10.13%, 10/15/13		555	560,550
CSC Holdings, Inc., 8.50%, 4/15/14 (b)		230	241,788
Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b)		1,334	1,369,095
DISH DBS Corp., 7.00%, 10/01/13		525	536,812
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	473	596,209
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	175	159,469
UPC Germany GmbH, 8.13%, 12/01/17 (b)		1,000	1,000,000
			4,463,923
Metals & Mining 0.4%			
FMG Finance Property Ltd., 4.25%, 9/01/11 (b)(c)		180	177,300
Ryerson, Inc., 7.62%, 11/01/14 (c)		450	401,625
			578,925
Multiline Retail 0.2%			
Dollar General Corp., 11.88%, 7/15/17 (f)		235	273,188

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Paper & Forest Products	0.6%		
NewPage Corp., 10.00%, 5/01/12		610	350,750
Verso Paper Holdings LLC, Series B, 4.00%, 8/01/14 (c)		495	399,713
			<u>750,463</u>

Pharmaceuticals	0.8%		
Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (c)		300	243,000
Elan Finance Plc, 4.25%, 11/15/11 (c)		950	912,000
			<u>1,155,000</u>

Real Estate Investment Trusts (REITs)	0.2%		
Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b)		330	333,300

Semiconductors & Semiconductor Equipment	1.1%		
Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)		345	349,313
STATS ChipPAC Ltd.:			
7.50%, 7/19/10		95	95,831
6.75%, 11/15/11		205	204,231
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(g)		915	905,850
			<u>1,555,225</u>

Corporate Bonds		Par (000)		Value
Software	0.1%			
JDA Software Group, Inc., 8.00%, 12/15/14 (b)		USD 94	\$	96,820
Wireless Telecommunication Services	2.1%			
Cricket Communications, Inc., 7.75%, 5/15/16		1,250		1,270,312
Digicel Group Ltd., 9.13%, 1/15/15 (b)(f)		1,249		1,217,775
iPCS, Inc., 2.37%, 5/01/13 (c)		500		460,000
				<u>2,948,087</u>
Total Corporate Bonds	31.0%			<u>42,928,221</u>

Floating Rate Loan Interests (c)

Aerospace & Defense	1.0%		
Hawker Beechcraft Acquisition Co. LLC:			
Letter of Credit Linked Deposit, 0.15%, 3/26/14		31	22,554
Term Loan, 2.25%, 3/26/14		503	370,511
TASC, Inc.:			
Tranche A Term Loan, 5.50%, 12/18/14		340	341,417
Tranche B Term Loan, 5.75%, 12/18/15		660	664,400

1,398,882

Auto Components 3.5%

Affinion Group Holdings, Inc., Tranche B Term Loan, 2.73%, 10/17/12		350	339,675
Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14		2,604	2,385,243
Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15		683	665,724
Exide Technologies, Term Loan, 3.91%, 5/15/12	EUR	175	214,461
GPX International Tire Corp.: Payment In Kind Amendment Fee, 14.00%, 4/11/12	USD	18	9,300
Tranche B Term Loan, 12.25%, 3/30/12		1,141	570,273
Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14		703	704,584
			4,889,260

Automobiles 1.1%

Ford Motor Co.: Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13		473	437,410
Tranche B-2 Term Loan, 3.26%, 12/15/13		1,097	1,014,313
			1,451,723

Beverages 0.2%

Culligan International Co., Loan (Second Lien), 5.18%, 4/24/13	EUR	500	281,409
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Building Products 2.7%

Building Materials Corp. of America: Second Lien Term Loan, 6.00%, 9/15/14	USD	850	836,400
Term Loan Advance, 3.00%, 2/22/14		1,394	1,357,410
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		1,270	1,274,704
PGT Industries, Inc., Tranche A-2 Term Loan, 7.25%, 2/14/12		290	252,428
			3,720,942

Chemicals 6.1%

Ashland Inc., Term B Borrowing, 7.65%, 5/13/14		370	374,036
Chemtura Corp., Term Facility Debtor in Possession, 6.00%, 2/11/11		800	803,500
Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.25%, 5/31/14		343	273,399
Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14		500	502,500

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Floating Rate Loan Interests (c)		Par (000)	Value
Chemicals (concluded)			
Huish Detergents Inc., Tranche B Term Loan, 2.01%, 4/26/14	USD	332	\$ 318,982
Matrix Acquisition Corp. (MacDermid, Inc.), Tranche C EURO Loan, 2.63%, 12/15/13	EUR	298	330,462
Nalco Co., Term Loan, 6.50%, 5/13/16	USD	1,269	1,277,505
PQ Corp., Original Term Loan (First Lien), 3.48% 3.50%, 7/30/14		1,320	1,207,800
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14		810	812,430
Solutia Inc., Loan, 7.25%, 2/28/14		1,605	1,625,620
Tronox Worldwide LLC:			
Tranche B-1 Term Loan, 9.00%, 6/24/10		709	727,998
Tranche B-2 Term Loan, 9.00%, 6/24/10		191	195,582
			8,449,814
Commercial Services & Supplies 3.4%			
Advanced Disposal Services, Inc., Term B Loan, 6.00%, 1/14/15		500	500,000
ARAMARK Corp., Facility Letter of Credit, 0.09% 2.03%, 1/26/14		50	47,784
ARAMARK Corp., US Term Loan, 2.13%, 1/26/14		762	726,590
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14		497	500,609
John Maneely Co., Term Loan, 3.50%, 12/09/13		451	422,538
Johnson Diversey, Inc., Tranche B Dollar, 5.50%, 11/24/15		500	503,750
Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14		975	859,625
West Corp.:			
Incremental Term B-3 Loan, 7.25%, 10/24/13		746	753,385
Term B-2 Loan, 2.60% 2.63%, 10/24/13		452	435,687
			4,749,968
Construction & Engineering 1.2%			
Acqulex Corporation, Term B Loan, 9.35%, 12/16/13		747	751,197
Safeway Services, LLC, First Out, Term Loan, 9.00%, 12/14/17		900	900,000
			1,651,197
Consumer Finance 0.9%			
Chrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24%, 8/03/12		1,253	1,237,337

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Containers & Packaging 1.1%

Anchor Glass, Term Loan B, 6.00%, 2/18/16	700	693,000
Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15	549	490,835
Graham Packaging Co., LP: Term Loan B, 2.50%, 10/07/11	46	45,266
Term Loan C, 6.75%, 4/05/14	289	290,541
		1,519,642

Diversified Consumer Services 2.4%

Coinmach Service Corp., Term Loan, 3.26%, 11/14/14	1,474	1,274,737
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14	2,070	2,051,029
		3,325,766

Diversified Financial Services 1.2%

CIT Group, Inc., Tranche 2A Term Loan, 9.50%, 1/20/12	983	1,006,448
Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15	700	704,375
		1,710,823

Floating Rate Loan Interests (c)	Par (000)	Value
Diversified Telecommunication Services 1.2%		
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13	USD 598	\$ 597,394
Level 3 Communications Incremental Term Loan, 7.59%, 3/13/14	150	135,156
US Telepacific Corp., Second Lien Term Loan, 7.75%, 7/25/15	250	250,469
Wind Finance SL SA, Euro Facility (Second Lien), 7.67%, 12/17/14	EUR 525	712,000
		1,695,019

Electrical Equipment 0.6%

Baldor Electric Co., Term Loan, 5.25%, 1/31/14	USD 681	681,791
Generac Acquisition Corp., Term Loan (First Lien), 2.75%, 11/10/13	179	164,258
		846,049

Energy Equipment & Services 0.7%

Dresser, Inc., Term Loan (Second Lien), 6.00%, 5/04/15	500	467,500
MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16	497	487,932
		955,432

Food & Staples Retailing 4.0%

AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15	GBP	900	1,229,377
Bolthouse Farms, Inc., Term Loan B, 3.75%, 2/04/16	USD	600	600,000
DS Waters of America, Inc., Term Loan, 2.50%, 10/29/12		458	428,574
Pierre Foods, Term Loan B, 8.50%, 9/30/14		342	341,145
Pilot Travel Centers, Term Loan B, 3.50%, 11/18/15		1,500	1,506,954
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15		1,000	1,036,000
SUPERVALU Inc., Term B Advance, 1.48%, 6/02/12		363	351,802
			5,493,852

Food Products 4.6%

CII Investment, LLC (fka Cloverhill):			
Term Loan A, 8.50%, 10/14/14		445	444,771
Term Loan B, 8.50%, 10/14/14		541	540,943
Dole Food Co., Inc.:			
Credit-Linked Deposit, 0.17%, 8/30/10		614	614,055
Term Loan B, 3.50%, 2/10/17		500	500,250
Term Loan C, 5.50%, 2/10/17		1,200	1,200,600
Tranche B Term Loan, 8.00%, 4/12/13		202	201,777
Pilgrim s Pride Corp., Term Loan A, 5.29%, 12/01/12		500	492,500
Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14		1,300	1,305,339
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		1,084	1,083,541
			6,383,776

Health Care Equipment & Supplies 1.0%

Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15		994	961,243
DJO Finance LLC (ReAble Therapeutics Financial LLC), Term Loan, 3.23%, 5/20/14		442	427,418
Hologic, Inc., Tranche B Term Loan, 3.50%, 3/29/13		35	34,341
			1,423,002

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Floating Rate Loan Interests (c)	Par (000)	Value
Health Care Providers & Services 4.3%		
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.50%, 7/25/14	USD 95	\$ 88,705
Funded Term Loan, 2.48% 2.50%, 7/25/14	1,798	1,679,975
DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12	175	170,909
Fresenius SE:		
Tranche B1 Term Loan, 6.75%, 9/10/14	692	695,183
Tranche B2 Term Loan, 6.75%, 9/10/14	419	420,975
HCA Inc.:		
Tranche A-1 Term Loan, 1.75%, 11/16/12	926	874,874
Tranche B-1 Term Loan, 2.50%, 11/18/13	924	876,700
Vanguard Health Holding Company II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16	1,100	1,101,375
		5,908,696
Health Care Technology 1.0%		
IMS Healthcare, Term Loan B, 5.25%, 2/16/16	1,300	1,305,200
Hotels, Restaurants & Leisure 5.0%		
Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14		
	750	754,219
Cedar Fair LP, Term Loan B, 4.00%, 2/04/16	800	798,751
Harrah's Operating Co., Inc.:		
Term B-1 Loan, 3.25%, 1/28/15	128	103,319
Term B-2 Loan, 3.25%, 1/28/15	1,372	1,107,226
Term B-3 Loan, 3.25%, 1/28/15	112	90,394
Term Loan, 20%, 10/01/10	1	12
Lake at Las Vegas Joint Venture / LLV-1, LLC (a)(g):		
Revolving Loan Credit-Linked Deposit Account, 12.35%, 6/20/12	60	602
Mezzanine, 14.35% 15.00%, 6/20/12	656	6,557
QCE, LLC (Quiznos), Term Loan (First Lien), 2.56%, 5/05/13	203	173,360
SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16	1,250	1,255,469
Six Flags Theme Parks, Inc., Term Loan, 4.50%, 6/13/15	2,000	1,981,500
VML US Finance LLC (aka Venetian Macau):		
Term B Delayed Draw Project Loan, 4.76%, 5/25/12	188	178,597
Term B Funded Project Loan, 4.76%, 5/27/13	438	416,486
		6,866,492

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Household Durables 1.0%

American Residential Services LLC, Term Loan (Second Lien), 10.00%, 4/17/15	1,030	991,654
Jarden Corp., Term Loan B3, 2.75%, 1/24/12	441	436,888
		1,428,542

Independent Power Producers & Energy Traders 1.8%

Dynegy Holdings Inc.:		
Term Letter of Credit Facility, 3.98%, 4/02/13	694	677,261
Tranche B Term Loan, 3.98%, 4/02/13	56	54,519
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.73% 3.75%, 10/10/14	1,350	1,084,946
Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14	232	186,502
Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14	618	494,101
		2,497,329

Floating Rate Loan Interests (c)	Par (000)	Value
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Industrial Conglomerates 0.7%

Sequa Corp., Term Loan, 3.51% 3.94%, 12/03/14	USD	1,072	\$	980,392
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Insurance 0.6%

Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14		828		781,393
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Internet & Catalog Retail 0.3%

FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14		422		422,391
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IT Services 3.8%

Audio Visual Services Group, Inc., Tranche B Term Loan (First Lien), 2.51%, 2/28/14		497		348,219
Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14		1,055		922,542
First Data Corp.:				
Initial Tranche B-1 Term Loan, 3.00%, 9/24/14		250		218,597
Initial Tranche B-2 Term Loan, 3.00%, 9/24/14		2,172		1,894,140
Initial Tranche B-3 Term Loan, 3.00%, 9/24/14		121		104,942
SunGard Data Systems Inc. (Solar Capital Corp.):				
Incremental Term Loan, 6.75%, 2/28/14		1,116		1,119,506
Tranche B US Term Loan, 3.86% 3.87%, 2/28/16		599		583,599
				5,191,545

Leisure Equipment & Products 0.5%

24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, 2.76%, 6/08/12		225		212,625
True Temper Sports, Debtor in Possession Term Loan, 13.00%, 10/14/13		493		468,505

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		681,130
Machinery 2.7%		
Accuride Corp., Term Loan, 10.00%, 1/31/12	450	449,063
Blount International, Term Loan, 5.50% 5.75%, 2/09/12	1,000	997,511
Bucyrus International, Term Loan C, 4.50%, 1/26/16	1,250	1,256,625
Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13	1,013	1,011,778
		3,714,977
Media 20.1%		
Affinion Group Holdings, Inc., Loan, 8.39%, 3/01/12	327	309,227
Catalina Marketing Corp., Initial Term Loan, 2.98%, 10/01/14	280	269,892
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,965	1,945,375
Cequel Communications, LLC: Term Loan, 2.25%, 11/05/13	580	549,106
Tranche A Term Loan (Second Lien), 4.75%, 5/05/14	1,000	974,100
Tranche B Term Loan (Second Lien), 6.25%, 5/05/14	250	250,400
Charter Communications Operating, LLC, New Term Loan, 2.23% 2.26%, 3/06/14	2,375	2,215,334
HMH Publishing Co. Ltd.: Mezzanine, 1.26%, 11/14/14	270	33,354
Tranche A Term Loan, 5.48%, 6/12/14	828	696,852
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50%, 3/10/14	978	436,617

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Floating Rate Loan Interests (c)		Par (000)	Value
Media (concluded)			
Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.73% 2.75%, 6/30/14	USD	726	\$ 635,128
Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14		1,175	1,128,183
Intelsat Corp. (fka PanAmSat Corp.):			
Tranche B-2-A Term Loan, 2.73%, 1/03/14		166	158,061
Tranche B-2-B Term Loan, 2.73%, 1/03/14		166	158,013
Tranche B-2-C Term Loan, 2.73%, 1/03/14		166	158,013
Intelsat Subsidiary Holding Co. Ltd., Tranche B Term Loan, 2.73%, 7/03/13		732	697,929
Lamar Media Corp.:			
Series B, Incremental Loan, 5.50% 5.75%, 9/28/12		449	445,231
Series E, Incremental Loan, 5.50% 5.75%, 3/31/13		235	234,943
Term Loan, 5.50% 5.75%, 9/28/12		1,566	1,553,814
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG), Facility B1, 3.34%, 6/30/15	EUR	337	314,143
MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16	USD	521	525,327
MCNA Cable Holdings LLC (OneLink Communications), Loan (Payment In Kind Facility), 7.23%, 3/01/13 (f)		1,289	1,005,369
Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17		499	498,122
Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 20.50%, 4/09/12		448	269,223
Multicultural Radio Broadcasting, Inc., Term Loan, 2.98%, 12/18/12		304	241,300
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13		1,275	1,362,656
Nielsen Finance LLC, Class B, Dollar Term Loan, 3.98%, 5/01/16		1,587	1,536,407
Penton Media, Inc., Term Loan (First Lien), 2.48% 2.50%, 2/01/13		486	354,963
Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15		750	753,750
Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16	EUR	1,000	1,345,769
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12	USD	1,000	879,167
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		1,486	1,489,916
UPC Financing Partnership, Facility U, 4.46%, 12/31/17	EUR	1,050	1,332,040
Virgin Media Investment Holdings Ltd.:			

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B7 Facility, 4.40%, 9/03/12	GBP	16	23,760
C Facility, 3.58%, 7/17/13		300	427,328
C Facility, 4.40%, 9/03/12		353	524,298
Term Loan B, 3.57%, 9/03/12		425	631,195
Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance Term Loan, 9.00%, 7/23/12	USD	648	654,129
Yell Group Plc TPI, Term Loan A, 7.12%, 8/09/11		750	718,125
			27,736,559

Multi-Utilities 0.4%

FirstLight Power Resources, Inc. (fka NE Energy, Inc.): Synthetic Letter of Credit, 0.16%, 11/01/13		53	49,150
Term B Advance (First Lien), 2.75%, 11/01/13		572	533,868
			583,018

Floating Rate Loan Interests (c)		Par (000)		Value
Multiline Retail 0.8%				
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	USD	960	\$	923,912
The Neiman Marcus Group Inc., Term Loan, 2.25%, 4/06/13		215		192,975
				1,116,887

Oil, Gas & Consumable Fuels 1.3%

Big West Oil, LLC:				
Delayed Advance Loan, 4.50%, 5/15/14		441		432,080
Initial Advance Loan, 4.50%, 5/15/14		349		342,120
Term Loan B, 9.75%, 1/26/15		500		502,500
Coffeyville Resources, LLC, Tranche D Term Loan, 8.50%, 12/30/13		490		492,917
				1,769,617

Paper & Forest Products 1.5%

Georgia-Pacific LLC, Term Loan B, 2.25% 2.26%, 12/23/12		1,451		1,417,543
Verso Paper Finance Holdings LLC, PIK Loan, 7.25%, 2/01/13 (f)		1,283		705,884
				2,123,427

Personal Products 0.4%

American Safety Razor Co., LLC:				
Loan (Second Lien), 6.51%, 1/30/14		350		204,750
Term Loan (First Lien), 2.75% 2.76%, 7/31/13		249		226,465
Revlon Consumer Products Corp., Term Loan, 4.25% 4.26%, 1/15/12		150		147,609
				578,824

Pharmaceuticals 1.9%

Catalent Pharma Solutions, Inc. (fka Cardinal Health 409, Inc.), Euro Term Loan, 2.67%, 4/15/14	EUR	488	587,469
Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14	USD	678	677,797
Warner Chilcott Corp.:			
Additional Term Loan, 5.75%, 4/30/15		310	310,084
Term B-1 Loan, 5.75%, 4/30/15		339	338,751
Term B-2 Loan, 5.75%, 4/30/15		746	745,251
			2,659,352

Professional Services 0.9%

Booz Allen Hamilton Inc., Term Loan C, 6.00%, 7/31/15		1,250	1,253,906
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Real Estate Management & Development 1.3%

Mattamy Funding Partnership, Term Loan B, 2.56%, 4/11/13		481	440,344
Realogy Corp.:			
Delayed Draw Term B Loan, 3.25%, 10/10/13		598	527,741
Initial Term B Loan, 3.25%, 10/10/13		786	692,989
Synthetic Letter of Credit, 0.08%, 10/10/13		212	186,574
			1,847,648

Specialty Retail 0.9%

Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13		407	392,603
Michaels Stores, Inc.:			
B-1 Term Loan, 2.50% 2.56%, 10/31/13		310	278,832
B-2 Term Loan, 4.75% 4.81%, 7/31/16		571	544,190
			1,215,625

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Floating Rate Loan Interests (c)		Par (000)		Value
Textiles, Apparel & Luxury Goods 0.3%				
Hanesbrands Inc., New Term Loan, 5.25%, 12/10/15	USD	400	\$	403,000
Wireless Telecommunication Services 0.8%				
Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12		425		409,063
MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13		748		720,716
				1,129,779
Total Floating Rate Loan Interests 89.2%				123,379,622

Other Interests (h)		Beneficial Interest (000)	
Auto Components 1.0%			
Delphi Debtor in Possession Hold Co. LLP, Class B Membership Interests		(i)	1,334,647
Diversified Financial Services 0.2%			
J. G. Wentworth LLC Preferred Equity Interests		(i)	287,823
Total Other Interests 1.2%			1,622,470
Total Long-Term Investments			
(Cost \$176,501,853) 121.8%			168,470,259

Short-Term Securities		Shares	
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.09% (j)(k)		1,797,812	1,797,812
Total Short-Term Securities			
(Cost \$1,797,812) 1.3%			1,797,812

Options Purchased	Contracts
Over-the-Counter Call Options 0.0%	
Marsico Parent Superholdco LLC, Strike Price	
USD 942.86, Expires 12/21/19, Broker	
Goldman Sachs & Co.	11 2,090
Total Options Purchased	
(Cost \$10,756) 0.0%	2,090
Total Investments (Cost \$178,310,421*) 123.1%	170,270,161
Liabilities in Excess of Other Assets (23.1)%	(31,899,477)
Net Assets 100.0%	\$ 138,370,684

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 178,405,382
Gross unrealized appreciation	\$ 3,845,191
Gross unrealized depreciation	(11,980,412)
Net unrealized depreciation	\$ (8,135,221)

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

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Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	\$ 1,797,812	\$ 6,878
BlackRock Liquidity Series, LLC Cash Sweeps Series	\$ (4,108,178)	\$ 1,347

(k) 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. These industry classifications are unaudited.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 7,780,395	EUR 5,440,000	Citibank NA	3/24/10	\$ 373,338
GBP 953,000	USD 1,495,460	Citibank NA	4/21/10	(42,902)
USD 1,517,532	GBP 950,000	Citibank NA	4/21/10	69,547
USD 1,381,821	GBP 853,500	Morgan Stanley Capital Services, Inc.	4/21/10	80,920
Total				\$ 480,903

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010, were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation
Ford Motor Co.	3.80%	UBS AG	March 2010	CCC	USD 1,000	\$856

¹ Using S&P's rating of the issuer.

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

Fair Value Measurements Various inputs are used in determining the fair value of investments, 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

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are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, repayment 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)

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 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 II, Inc. (FRB)

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments:				
Common Stocks	\$ 509,511		\$ 30,435	\$ 539,946
Corporate Bonds		\$ 41,911,551	1,016,670	42,928,221
Floating Rate Loan Interests		104,667,984	18,711,638	123,379,622
Other Interests			1,622,470	1,622,470
Short-Term Securities	1,797,812			1,797,812
Total	\$ 2,307,323	\$ 146,579,535	\$ 21,381,213	\$ 170,268,071

Valuation Inputs	Other Financial Instruments ¹			
	Level 1	Level 2	Level 3	Total
Assets		\$ 526,751	\$ 4,076	\$ 530,827
Liabilities		(42,902)	(38,101)	(81,003)
Total		\$ 483,849	\$ (34,025)	\$ 449,824

¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at market value.

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

	Investments in Securities				
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Total
Balance, as of February 28, 2009	\$ 4,165	\$ 1,437,808	\$ 35,230,878		\$ 36,672,851
Accrued discounts/premiums					
Realized gain (loss)		(238,712)	(9,314,760)		(9,553,472)
Change in unrealized appreciation/depreciation ²		164,767	20,334,144		20,498,911

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Net purchases (sales)		(812,210)	(21,084,905)		(21,897,115)
Net transfers in (out) of Level 3	26,270	465,017	(6,453,719)	\$ 1,622,470	(4,339,962)
Balance, as of February 28, 2010	\$ 30,435	\$ 1,016,670	\$ 18,711,638	\$ 1,622,470	\$ 21,381,213

² 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, 2010 was \$6,849,181.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

	Other Financial Instruments ³		
	Assets	Liabilities	Total
Balance, as of February 28, 2009			
Accrued discounts/premiums			
Realized gain (loss)		\$ (18,182)	\$ (18,182)
Change in unrealized appreciation/depreciation ⁴	\$ 4,076	(19,919)	(15,843)
Net purchases (sales)			
Net transfers in (out) of Level 3			
Balance, as of February 28, 2010	\$ 4,076	\$ (38,101)	\$ (34,025)

³ Other financial instruments are unfunded loan commitments.

⁴ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on the securities still held at February 28, 2010 was \$0.

See Notes to Financial Statements.

Schedule of Investments February 28, 2010

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Auto Components 0.2%		
Lear Corp. (a)	5,425	\$ 375,790
Building Products 0.8%		
Masonite Worldwide Holdings (a)	40,055	1,682,310
Capital Markets 0.2%		
E*Trade Financial Corp. (a)	271,000	436,310
Chemicals 0.0%		
GEO Specialty Chemicals, Inc. (a)	142,466	54,692
Wellman Holdings, Inc. (a)	5,131	1,283
		55,975
Construction Materials 0.0%		
Nortek, Inc. (a)	2,570	95,090
Containers & Packaging 0.1%		
Smurfit Kappa Plc (a)	18,171	149,776
Hotels, Restaurants & Leisure 0.0%		
Lodgian, Inc. (a)	41,866	103,828
Paper & Forest Products 0.7%		
Ainsworth Lumber Co. Ltd. (a)	375,634	788,967
Ainsworth Lumber Co. Ltd. (a)(b)	421,556	885,420
		1,674,387
Software 0.0%		
Euramax International (a)	935	28,047
Total Common Stocks 2.0%		4,601,513

Corporate Bonds		Par (000)	
Aerospace & Defense 0.5%			
TransDigm, Inc., 7.75%, 7/15/14 (b)	USD	1,100	1,100,000

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Airlines 0.5%		
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	500	515,000
United Air Lines, Inc., 12.75%, 7/15/12	600	636,000
		1,151,000

Auto Components 1.9%		
The Goodyear Tire & Rubber Co., 8.63%, 12/01/11	4,000	4,150,000
Venture Holdings Co. LLC (a)(c):		
12.00%, 6/01/09	700	
Series B, 9.50%, 7/01/05	3,325	333
		4,150,333

Biotechnology 0.2%		
QHP Pharma, 10.25%, 3/15/15 (b)	315	321,577

Building Products 2.8%		
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	675	675,000
CPG International I, Inc.:		
7.18%, 7/01/12 (e)	3,500	3,325,000
10.50%, 7/01/13	1,500	1,470,000
Ply Gem Industries, Inc., 11.75%, 6/15/13	725	735,875
		6,205,875

Chemicals 3.0%		
American Pacific Corp., 9.00%, 2/01/15	610	602,375
GEO Specialty Chemicals, Inc.:		
7.50%, 3/31/15 (b)(f)(g)	1,869	1,214,604
10.00%, 3/31/15	1,839	1,195,168
Huntsman International LLC, 5.50%, 6/30/16 (b)	495	435,600

Corporate Bonds	Par (000)	Value
Chemicals (concluded)		
Wellman Holdings, Inc. (g):		
Second Lien Subordinate Note, 10.00%, 1/29/19 (b)	USD 2,383	\$ 2,383,000
Third Lien Subordinate Note, 5.00%, 1/29/19 (f)	1,639	819,684
		6,650,431

Commercial Services & Supplies 1.6%		
ACCO Brands Corp., 10.63%, 3/15/15 (b)	365	396,755
Clean Harbors, Inc., 7.63%, 8/15/16	700	707,000
The Geo Group, Inc., 7.75%, 10/15/17 (b)	450	455,625
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)	550	588,500
Sally Holdings LLC, 9.25%, 11/15/14	420	438,900
Scientific Games International, Inc., 9.25%, 6/15/19	960	1,015,200
		3,601,980

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Communications Equipment 0.0%

Brocade Communications Systems, Inc., 6.88%, 1/15/20 (b)	90	91,800
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Construction Materials 1.2%

Nortek, Inc., 11.00%, 12/01/13	2,581	2,710,493
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Consumer Finance 1.2%

Credit Acceptance Corp., 9.13%, 2/01/17 (b)	300	298,500
Ford Motor Credit Co. LLC, 3.00%, 1/13/12 (e)	1,340	1,256,250
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)	1,150	1,178,750
		2,733,500

Containers & Packaging 2.8%

Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b)	1,100	1,097,250
Clondalkin Acquisition BV, 2.25%, 12/15/13 (b)(e)	2,000	1,785,000
Crown Americas LLC, 7.63%, 5/15/17 (b)	400	416,000
Graphic Packaging International, Inc., 9.50%, 6/15/17	555	582,750
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	1,325	1,055,031
Smurfit Kappa Funding Plc, 7.75%, 4/01/15	1,050	1,018,500
Solo Cup Co., 10.50%, 11/01/13	250	261,875
		6,216,406

Diversified Financial Services 3.8%

GMAC, Inc., 8.30%, 2/12/15 (b)	4,700	4,741,125
Highland Legacy Ltd., 6.50%, 6/01/11 (b)(e)	4,000	2,400,000
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)	955	966,937
		8,108,062

Diversified Telecommunication Services 2.8%

Cincinnati Bell, Inc., 8.25%, 10/15/17	900	900,000
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)	180	192,600
PAETEC Holding Corp., 8.88%, 6/30/17 (b)	175	175,935
Qwest Corp., 8.38%, 5/01/16	3,000	3,285,000
Windstream Corp., 7.88%, 11/01/17	1,750	1,710,625
		6,264,160

Electric Utilities 0.4%

NSG Holdings LLC, 7.75%, 12/15/25 (b)	1,000	865,000
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Energy Equipment & Services 0.5%

Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	1,000	995,000
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See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Food & Staples Retailing 0.5%			
Duane Reade, Inc., 11.75%, 8/01/15	USD	155	\$ 195,300
Rite Aid Corp., 9.75%, 6/12/16		825	880,688
			1,075,988
Food Products 0.9%			
B&G Foods, Inc., 7.63%, 1/15/18		500	505,000
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)		380	380,950
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		1,050	1,136,625
			2,022,575
Health Care Equipment & Supplies 0.7%			
DJO Finance LLC, 10.88%, 11/15/14		710	759,700
Hologic, Inc., 2.00%, 12/15/37 (g)(h)		830	709,650
			1,469,350
Health Care Providers & Services 3.2%			
Community Health Systems, Inc., Series WI, 8.88%, 7/15/15		1,880	1,945,800
DaVita, Inc., 7.25%, 3/15/15		525	526,969
Tenet Healthcare Corp. (b): 10.00%, 5/01/18		850	935,000
8.88%, 7/01/19		2,775	2,927,625
Vanguard Health Holding Co. II LLC, 8.00%, 2/01/18 (b)		790	776,175
			7,111,569
Health Care Technology 0.8%			
IMS Health, Inc., 12.50%, 3/01/18 (b)		1,580	1,817,000
Hotels, Restaurants & Leisure 1.8%			
Icahn Enterprises LP (b): 7.75%, 1/15/16		750	705,000
8.00%, 1/15/18		1,500	1,410,000
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(d)		1,210	305,525
MGM Mirage: 13.00%, 11/15/13		100	114,000
10.38%, 5/15/14 (b)		185	196,100
11.13%, 11/15/17 (b)		750	810,000
Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)		190	151,050

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Snoqualmie Entertainment Authority, 4.14%, 2/01/14 (b)(e)	500	340,000
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(d)	220	137
		4,031,812

Household Durables 1.1%

Beazer Homes USA, Inc., 12.00%, 10/15/17 (b)	1,000	1,115,000
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	1,200	1,254,000
KB Home, 6.38%, 8/15/11	106	107,855
		2,476,855

Household Products 0.1%

Libbey Glass, Inc., 10.00%, 2/15/15 (b)	115	119,025
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IT Services 0.2%

First Data Corp., 9.88%, 9/24/15	625	540,625
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Independent Power Producers & Energy Traders 3.3%

The AES Corp., 8.75%, 5/15/13 (b)	335	340,863
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	570	617,737
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,000	1,012,500
Dynegy Holdings, Inc., 8.38%, 5/01/16	1,260	1,102,500

Corporate Bonds	Par (000)	Value
Independent Power Producers & Energy Traders (concluded)		
Energy Future Holdings Corp., 11.25%, 11/01/17 (f)	USD 860	\$ 602,280
NRG Energy, Inc.: 7.25%, 2/01/14	3,000	3,022,500
8.50%, 6/15/19	500	499,375
		7,197,755

Industrial Conglomerates 1.5%

Sequa Corp. (b): 11.75%, 12/01/15	1,430	1,401,400
13.50%, 12/01/15 (f)	2,002	2,007,094
		3,408,494

Internet & Catalog Retail 0.1%

NetFlix, Inc., 8.50%, 11/15/17	250	261,875
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Machinery 2.0%

ESCO Corp., 4.13%, 12/15/13 (b)(e)	1,540	1,362,900
Navistar International Corp., 8.25%, 11/01/21	1,500	1,522,500
RBS Global, Inc., 8.88%, 9/01/16	835	755,675
Titan International, Inc., 8.00%, 1/15/12	770	766,150
		4,407,225

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Marine 0.2%

Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)	450	457,875
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Media 7.0%

Affinion Group, Inc., 10.13%, 10/15/13	1,015	1,025,150
CSC Holdings, Inc., 8.50%, 4/15/14 (b)	390	409,988
Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b)	2,137	2,193,217
DISH DBS Corp.:		
7.00%, 10/01/13	850	869,125
6.63%, 10/01/14	750	751,875
Intelsat Corp., 9.25%, 8/15/14	3,500	3,605,000
Nielsen Finance LLC, 11.63%, 2/01/14	2,000	2,227,500
UPC Germany GmbH, 8.13%, 12/01/17 (b)	1,500	1,500,000
Virgin Media Secured Finance Plc, 6.50%, 1/15/18 (b)	3,000	2,955,000
		<u>15,536,855</u>

Metals & Mining 1.8%

Aleris International, Inc., 9.00%, 12/15/14 (a)(d)	840	2,100
Murray Energy Corp., 10.25%, 10/15/15 (b)	420	420,525
RathGibson, Inc., 11.25%, 2/15/14 (a)(d)	2,175	698,719
Ryerson, Inc., 7.62%, 11/01/14 (e)	1,800	1,606,500
Teck Resources Ltd., 10.75%, 5/15/19	1,075	1,322,250
		<u>4,050,094</u>

Multiline Retail 0.6%

Dollar General Corp., 11.88%, 7/15/17 (f)	948	1,102,050
Saks, Inc., 9.88%, 10/01/11	125	129,688
		<u>1,231,738</u>

Oil, Gas & Consumable Fuels 3.8%

Arch Coal, Inc., 8.75%, 8/01/16 (b)	750	776,250
Atlas Energy Operating Co. LLC:		
12.13%, 8/01/17	825	928,125
10.75%, 2/01/18	200	216,500
Crosstex Energy LP, 8.88%, 2/15/18 (b)	330	334,950
Denbury Resources, Inc.:		
9.75%, 3/01/16	520	560,300
8.25%, 2/15/20	355	367,425
El Paso Corp., 7.00%, 6/15/17	775	777,379

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Oil, Gas & Consumable Fuels (concluded)		
Forest Oil Corp.:		
8.50%, 2/15/14	USD 280	\$ 289,100
7.25%, 6/15/19	85	83,300
Massey Energy Co., 6.88%, 12/15/13	800	794,000
OPTI Canada, Inc., 9.00%, 12/15/12 (b)	550	559,625
Sabine Pass LNG LP, 7.50%, 11/30/16	2,985	2,619,338
		8,306,292
Paper & Forest Products 3.1%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(f)	1,323	985,707
Clearwater Paper Corp., 10.63%, 6/15/16 (b)	365	405,150
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,630	1,719,650
NewPage Corp., 6.50%, 5/01/12 (e)	5,175	2,742,750
Verso Paper Holdings LLC:		
11.50%, 7/01/14 (b)	315	330,750
4.00%, 8/01/14 (e)	745	601,588
		6,785,595
Pharmaceuticals 0.8%		
Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (e)	955	773,550
Elan Corp. Plc, 8.75%, 10/15/16 (b)	520	504,400
Valeant Pharmaceuticals International, 8.38%, 6/15/16 (b)	450	465,750
		1,743,700
Real Estate Investment Trusts (REITs) 0.2%		
Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b)	530	535,300
Semiconductors & Semiconductor Equipment 1.1%		
Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b)	555	561,937
STATS ChipPAC Ltd.:		
7.50%, 7/19/10	150	151,313
6.75%, 11/15/11	330	328,762
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(d)	1,460	1,445,400
		2,487,412
Software 0.1%		

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JDA Software Group, Inc., 8.00%, 12/15/14 (b)	150	154,500
Specialty Retail 0.4%		
United Auto Group, Inc., 7.75%, 12/15/16	915	872,681
Textiles, Apparel & Luxury Goods 1.0%		
Quiksilver, Inc., 6.88%, 4/15/15	2,525	2,152,563
Wireless Telecommunication Services 3.1%		
Cricket Communications, Inc.:		
9.38%, 11/01/14	80	79,600
10.00%, 7/15/15	140	141,750
7.75%, 5/15/16	2,020	2,052,825
Digicel Group Ltd., 12.00%, 4/01/14 (b)	800	892,000
MetroPCS Wireless, Inc., 9.25%, 11/01/14	2,000	1,995,000
Nextel Communications, Inc.:		
Series E, 6.88%, 10/31/13	690	662,400
Series F, 5.95%, 3/15/14	100	90,750
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)	395	347,600
Sprint Capital Corp.:		
7.63%, 1/30/11	220	224,400
6.88%, 11/15/28	370	280,275
		6,766,600
Total Corporate Bonds 62.6%		138,186,970

Floating Rate Loan Interests (e)	Par (000)	Value
Aerospace & Defense 0.3%		
Hawker Beechcraft Acquisition Co. LLC:		
Letter of Credit Facility Deposit, 0.15%, 3/26/14	USD 52	\$ 37,902
Term Loan, 2.25%, 3/26/14	870	640,663
		678,565

Airlines 0.5%		
Delta Air Lines, Inc., Credit-Linked Deposit Loan, 0.10% 2.25%, 4/30/12	1,225	1,144,355

Auto Components 2.5%		
Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14	5,040	4,615,308
Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15	647	630,538
The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.34%, 4/30/14	300	278,375
Lear Corp., Closing Date Loan and Delayed Draw Loan, 7.50%, 11/09/14	125	125,260
		5,649,481

Automobiles 1.0%

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Ford Motor Co.:			
Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13		1,067	988,521
Tranche B-2 Term Loan, 3.26%, 12/15/13		1,247	1,155,408
			2,143,929

Building Products 1.8%

Building Materials Corp. of America:			
Second Lien Term Loan, 6.00%, 9/15/14		1,250	1,230,000
Term Loan Advance, 3.00%, 2/22/14		1,223	1,190,924
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		1,538	1,544,353
			3,965,277

Chemicals 3.7%

Ashland Inc., Term B Borrowing, 7.65%, 5/13/14		274	277,063
Chemtura Corp., Term Facility Debtor in Possession, 6.00%, 1/26/11		800	803,500
Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14		400	402,000
Nalco Co., Term Loan, 6.50%, 5/13/16		1,020	1,027,014
PQ Corp., Original Term Loan (First Lien), 3.48% 3.50%, 7/30/14		3,928	3,593,692
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14		878	880,886
Solutia Inc., Loan, 7.25%, 2/28/14		1,101	1,114,849
			8,099,004

Commercial Services & Supplies 1.6%

ARAMARK Corp., Facility Letter of Credit, 0.09%, 1/26/14		64	61,273
ARAMARK Corp., US Term Loan, 2.13%, 1/26/14		977	931,705
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14		219	220,268
John Maneely Co., Term Loan, 3.50%, 12/09/13		725	679,528
Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14		424	373,750
West Corp., Incremental Term B-3 Loan, 7.25%, 10/24/13		1,269	1,281,959
			3,548,483

Construction & Engineering 0.9%

Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.), Synthetic Letter of Credit, Term Loan (First Lien), 0.31%, 2/07/14			
		500	440,000
Safeway Services, LLC, First Out Term Loan, 9.00%, 12/14/17		1,500	1,500,000
			1,940,000

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (e)	Par (000)	Value
Containers & Packaging 0.8%		
Anchor Glass Term Loan B, 6.00%, 2/18/16	USD 700	\$ 697,812
Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15	499	446,214
Graham Packaging Co., LP, B Term Loan, 2.50%, 10/07/11	577	568,680
		1,712,706
Diversified Consumer Services 2.1%		
Coinmach Service Corp., Term Loan, 3.25%, 11/14/14	1,965	1,699,649
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14	2,960	2,933,138
		4,632,787
Diversified Financial Services 0.4%		
Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15	900	905,625
Diversified Telecommunication Services 0.8%		
Cavtel Holdings, LLC, Term Loan, 8.50%, 12/31/12	423	361,968
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13	892	891,631
US Telepacific Corp., Second Lien Term Loan, 7.75%, 7/25/15	400	400,750
		1,654,349
Electrical Equipment 0.5%		
Baldor Electric Co., Term Loan, 5.25%, 1/31/14	622	623,323
Generac Acquisition Corp., Term Loan (First Lien), 2.75%, 11/10/13	529	484,721
		1,108,044
Energy Equipment & Services 0.7%		
Dresser, Inc., Term Loan (Second Lien), 6.00%, 5/04/15	550	514,250
MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16	972	954,323
		1,468,573

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Food & Staples Retailing 1.4%		
Pilot Travel Centers, Term Loan B, 3.50%, 11/18/15	1,250	1,255,795
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15	1,200	1,243,200
SUPERVALU Inc., Term B Advance, 1.49%, 6/02/12	576	558,486
		3,057,481

Food Products 2.5%		
Dole Food Co., Inc.:		
Credit-Linked Deposit, 0.17%, 08/30/10	828	827,754
Term Loan B, 3.50%, 2/10/17	588	588,529
Term Loan C, 5.50%, 2/10/17	1,412	1,412,471
Pilgrim s Pride Corp., Term Loan A, 5.29%, 12/01/12	500	492,500
Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14	1,700	1,706,982
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13	609	609,219
		5,637,455

Health Care Equipment & Supplies 0.5%		
Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15		
	349	337,682
DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14	885	854,836
		1,192,518

Floating Rate Loan Interests (e)	Par (000)	Value
Health Care Providers & Services 3.2%		
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.50%, 7/25/14	USD 100	\$ 93,933
Funded Term Loan, 2.48% 2.50%, 7/25/14	1,926	1,799,447
DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12	300	292,987
Fresenius SE:		
Tranche B1 Term Loan, 6.75%, 9/10/14	534	537,322
Tranche B2 Term Loan, 6.75%, 9/10/14	288	289,462
HCA Inc., Tranche A-1 Term Loan, 1.75%, 11/16/12	3,071	2,900,778
Vanguard Health Holding Company II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16	1,100	1,101,375
		7,015,304

Health Care Technology 0.7%		
IMS Healthcare, Term Loan B, 5.25%, 2/16/16	1,600	1,606,400

Hotels, Restaurants & Leisure 4.3%		
Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14	1,250	1,257,031
Cedar Fair LP, Term Loan B, 4.00%, 2/04/16	1,050	1,048,360
Harrah s Operating Co., Inc.:		

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Term B-2 Loan, 3.25%, 1/28/15	557	449,504
Term B-4 Loan, 9.50%, 10/31/16	1,250	1,246,527
QCE, LLC (Quiznos), Term Loan (First Lien), 2.56%, 5/05/13	390	332,638
Six Flags Theme Parks, Inc., Term Loan, 4.50%, 6/13/15	3,000	2,972,250
SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16	1,250	1,255,469
VML US Finance LLC (aka Venetian Macau):		
New Project Term Loan, 4.76%, 5/27/13	834	792,351
Term B Delayed Draw Project Loan, 4.76%, 5/25/12	209	198,088
		9,552,218

IT Services 2.3%

Audio Visual Services Group, Inc.: Loan (Second Lien), 5.76%, 2/28/14	538	53,852
Tranche B Term Loan (First Lien), 2.51%, 2/28/14	995	696,438
Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14	1,483	1,296,639
First Data Corp.:		
Initial Tranche B-2 Term Loan, 3.00%, 9/24/14	1,470	1,282,472
Initial Tranche B-3 Term Loan, 3.00%, 9/24/14	389	338,391
RedPrairie Corp.:		
Tack-On Loan, 3.31%, 7/20/12	242	234,574
Term Loan B, 3.31%, 7/20/12	564	546,681
SunGard Data Systems Inc. (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14	746	748,833
		5,197,880

Independent Power Producers & Energy Traders 0.5%

Dynegy Holdings Inc.:		
Term Letter of Credit Facility Term Loan, 3.98%, 4/02/13	463	451,507
Tranche B Term Loan, 3.98%, 4/02/13	37	36,346
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14	484	389,046
Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14	227	181,677
		1,058,576

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (e)	Par (000)	Value
Industrial Conglomerates 0.2%		
Sequa Corp., Term Loan, 3.51 3.94%, 12/03/14	USD 450	\$ 411,589
Insurance 0.1%		
Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14	142	134,290
Internet & Catalog Retail 0.3%		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14	633	633,587
Leisure Equipment & Products 0.7%		
Fender Musical Instruments Corp.:		
Delayed Draw Loan, 2.51%, 6/09/14	657	556,990
Initial Loan, 2.51%, 6/09/14	1,301	1,102,670
		<u>1,659,660</u>
Machinery 1.3%		
Bucyrus International, Term Loan C, 4.50%, 1/26/16	750	753,975
LN Acquisition Corp. (Lincoln Industrial), Initial Term Loan (Second Lien), 5.98%, 1/09/15	1,000	840,000
Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13	1,374	1,372,737
		<u>2,966,712</u>
Media 10.4%		
Affinion Group Holdings, Inc., Loan, 8.39%, 3/01/12	1,479	1,397,396
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	4,079	4,038,500
Cequel Communications, LLC, Tranche B Term PIK Facility (Second Lien), 6.25%, 5/05/14	1,813	1,815,783
Charter Communications Operating, LLC, New Term Loan, 2.23% 2.26%, 3/06/14	2,500	2,331,930
Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11	3,879	1,086,013
HMH Publishing Co. Ltd., Tranche A Term Loan, 5.23%, 6/12/14	1,443	1,214,428
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14	978	436,617
Lamar Media Corp.:	517	513,403

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Series B, Incremental Loan, 5.50% 5.75%, 9/28/12		
Term Loan, 5.50% 5.75%, 9/28/12	903	896,426
MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16	274	275,800
Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17	499	498,122
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	3,250	3,473,437
Penton Media, Inc., Term Loan (First Lien), 2.48% 2.50%, 2/01/13	729	532,444
Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15	500	502,500
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12	1,200	1,055,000
UPC Financing Partnership, Facility, 3.93%, 12/30/16	1,750	1,701,000
Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12	498	503,176
Yell Group Plc TPI, Term Loan A, 7.12%, 8/09/11	750	718,125
		22,990,100

Floating Rate Loan Interests (e)	Par (000)	Value
Metals & Mining 1.4%		
Euramax International, Inc.:		
Term Facility, 10.00%, 6/29/13	USD 858	\$ 694,756
Domestic Term Facility, 14.00%, 6/29/13 (f)	871	705,902
RathGibson, Inc., Loan, Debtor in Possession 10.75%, 6/30/10 (f)	1,796	1,795,560
		3,196,218
Multi-Utilities 0.3%		
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):		
Synthetic Letter of Credit, 0.16%, 11/01/13	63	58,981
Term B Advance (First Lien), 2.75%, 11/01/13	687	640,641
		699,622
Multiline Retail 0.6%		
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	983	945,267
The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13	350	314,144
		1,259,411
Oil, Gas & Consumable Fuels 0.8%		
Big West Oil, LLC, Initial Loan:		
Delayed Advance Loan, 4.50%, 5/15/14	546	535,247
Initial Advance Loan, 4.50%, 5/15/14	434	425,765
Term Loan B, 9.75%, 1/26/15	750	753,750

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		1,714,762
Paper & Forest Products 0.2%		
Georgia-Pacific LLC, Term Loan B, 2.25% 2.26%, 12/23/12	457	446,052
Personal Products 0.3%		
American Safety Razor Co., LLC: Loan (Second Lien), 6.51%, 1/30/14	600	351,000
Term Loan (First Lien), 2.75% 2.76%, 7/31/13	374	339,726
		690,726
Pharmaceuticals 1.0%		
Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14	644	643,907
Warner Chilcott Corp.: Additional Term Loan, 5.75%, 4/30/15	495	495,135
Term B-1 Loan, 5.75%, 4/30/15	322	321,813
Term B-2 Loan, 5.75%, 4/30/15	708	707,988
		2,168,843
Professional Services 0.4%		
Booz Allen Hamilton Inc., Term Loan C, 6.00%, 7/31/15	1,000	1,003,125
Real Estate Management & Development 1.2%		
Realogy Corp., Synthetic Letter of Credit, 0.1%, 10/10/13	2,925	2,579,318
Specialty Retail 0.9%		
Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13	611	588,904
Michaels Stores, Inc.: B-1 Term Loan, 2.50% 2.56%, 10/31/13	642	577,854
B-2 Term Loan, 4.75% 4.81%, 7/31/16	768	731,512
		1,898,270
Wireless Telecommunication Services 1.1%		
Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12	2,033	1,957,099
MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13	499	480,478
		2,437,577
Total Floating Rate Loan Interests 54.2%		119,858,872

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)
(Percentages shown are based on Net Assets)

Other Interests (i)		Beneficial Interest (000)		Value
Auto Components 0.1%				
Intermet Liquidating Trust Class A	USD	521	\$	151,846
Diversified Financial Services 0.4%				
J. G. Wentworth LLC Preferred Equity Interests			(j)	914,658
Media 0.0%				
Adelphia Preferred Escrow		3		
Adelphia Recovery Trust		250		25
				25
Total Other Interests 0.5%				1,066,529

Warrants (k)		Shares	
Media 0.0%			
Charter Communications (Expires 11/30/14)		6,862	27,448
Total Warrants 0.0%			27,448
Total Long-Term Investments			
(Cost \$291,271,751) 119.3%			263,741,332

Short-Term Securities

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.09% (l)(m)	1,938,484	1,938,484
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		Beneficial Interest (000)
Bank of New York Cash Reserves, 0.05% (m)	USD	1,011
		1,010,656
Total Short-Term Securities (Cost \$2,949,140) 1.3%		2,949,140
Total Investments (Cost \$294,220,891*) 120.6%		266,690,472
Liabilities in Excess of Other Assets (20.6)%		(45,517,527)
Net Assets 100.0%		\$ 221,172,945

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 294,821,503
Gross unrealized appreciation	\$ 9,088,996
Gross unrealized depreciation	(37,120,127)
Net unrealized depreciation	\$ (28,031,131)

- (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) As a result of bankruptcy proceedings, the company did not repay the principal amount of the security upon maturity.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (g) Convertible security.
- (h) 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 reflects the current yield as of report date.
- (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) 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.
- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

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Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	\$ 1,938,484	\$ 6,626
BlackRock Liquidity Series, LLC Cash Sweep Series	\$ (4,346,896)	\$ 1,683

(m) 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. These industry classifications are unaudited.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation
USD 572,542	CAD 599,500	Citibank NA	4/21/10	\$ 2,836

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	USD 460	\$ (2,961)
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2012	USD 225	1,544
Boston Scientific Corp.	1.00%	Goldman Sachs Bank USA	December 2014	USD 500	919
Total					\$ (498)

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Senior High Income Fund, Inc. (ARK)

Fair Value Measurements Various inputs are used in determining the fair value of investments, 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 face value of investments)

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 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, 2010 in determining the investments:

Valuation Inputs	Investments in Securities			
	Level 1	Level 2	Level 3	Total
Assets:				
Long-Term Investments				
Common Stocks	\$ 3,387,205	\$ 1,035,196	\$ 179,112	\$ 4,601,513
Corporate Bonds		130,174,179	8,012,790	138,186,969
Floating Rate Loan Interests		102,845,901	17,012,972	119,858,873
Other Interests			1,066,529	1,066,529
Warrants		27,448		27,448
Short-Term Securities	1,938,484	1,010,656		2,949,140
Total	\$ 5,325,689	\$ 235,093,380	\$ 26,271,403	\$ 266,690,472

Valuation Inputs	Other Financial Instruments ¹			
	Level 1	Level 2	Level 3	Total
Assets		\$ 5,299		\$ 5,299
Liabilities		(2,961)		(2,961)
Total		\$ 2,338		\$ 2,338

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¹ Other financial instruments are foreign currency exchange contracts and swaps which 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 to determine fair value:

	Investments in Securities				
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Total
Balance, as of February 28, 2009	\$ 55,975	\$ 8,229,614	\$ 44,351,083	\$ 25	\$ 52,636,697
Accrued discounts/premiums					
Realized gain (loss)		(1,313,608)	(9,136,141)		(10,449,749)
Change in unrealized appreciation/depreciation ²		2,016,897	25,598,951		27,615,848
Net purchases (sales)		(2,115,281)	(28,993,766)		(31,109,047)
Net transfers in (out) of Level 3	123,137	1,195,168	(14,807,155)	1,066,504	(12,422,346)
Balance, as of February 28, 2010	\$ 179,112	\$ 8,012,790	\$ 17,012,972	\$ 1,066,529	\$ 26,271,403

² 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, 2010 was \$4,608,899.

See Notes to Financial Statements.

Statements of Assets and Liabilities

February 28, 2010	BlackRock Corporate High Yield Fund, Inc. (COY)	BlackRock Corporate High Yield Fund III, Inc. (CYE)	BlackRock Debt Strategies Fund, Inc. (DSU)	BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)	BlackRock Senior High Income Fund, Inc. (ARK)
Assets					
Investments at value unaffiliated	\$ 289,988,900	\$ 313,342,249	\$ 502,769,695	\$ 168,472,349	\$ 264,751,988
Investments at value affiliated	4,931,674	3,276,755	1,319,723	1,797,812	1,938,484
Unrealized appreciation on foreign currency exchange contracts	1,401,730	1,456,164	1,642,856	523,805	2,836
Unrealized appreciation on swaps	18,639	5,534	4,571	856	2,463
Unrealized appreciation on unfunded loan commitments		95		4,076	
Foreign currency at value ³	1,025,174	1,010,962	536,981	327,836	475
Cash	11,446		23,555		
Cash pledged as collateral for swaps	500,000				
Investments sold receivable	11,070,027	11,256,876	14,395,121	7,615,228	12,416,176
Interest receivable	5,495,712	5,635,563	6,668,181	1,617,492	3,177,637
Swap premiums paid	705,486	387,496	93,268		42,060
Principal paydowns receivable	169,000			89,466	
Swaps receivable	120,750	121,722	5,337	7,389	
Dividends receivable	18,400	33,160	59,496		
Commitment fees receivable		31		660	
Prepaid expenses	18,345	19,510	35,515	11,127	18,293
Other assets	4,515	4,515	588,243		100,154
Total assets	315,479,798	336,550,632	528,142,542	180,468,096	282,450,566
Liabilities					
Loan payable	72,000,000	76,000,000	67,000,000	24,000,000	43,000,000
Unrealized depreciation on swaps	381,198	235,526	109,385		2,961
Unrealized depreciation on foreign currency exchange contracts	25,617	19,428	63,523	42,902	
Unrealized depreciation on unfunded loan commitments	51,643	115,674		38,101	
Cash held as collateral for swaps	600,000				
Bank overdraft		1,393,499		4,446	
Investments purchased payable	11,271,316	8,475,627	40,960,112	17,801,366	17,898,019
Swap premiums received	178,998	189,313	3,597		1,998
Interest expense payable	115,205	130,247	127,672	54,307	38,704
Investment advisory fees payable	112,531	147,925	223,470	95,116	98,937
Swaps payable	64,031	33,226	17,354		7,632
Other affiliates payable	838	918	1,448	496	776
Officers and Directors fees payable	627	821	65,690	373	271
Other accrued expenses payable	85,256	87,859	144,003	60,293	128,424

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Other liabilities			204,300	12	99,899
Total liabilities	84,887,260	86,830,063	108,920,554	42,097,412	61,277,621
Net Assets	\$ 230,592,538	\$ 249,720,569	\$ 419,221,988	\$ 138,370,684	\$ 221,172,945

Net Assets Consist of

Paid-in capital ⁴	\$ 381,684,497	\$ 439,423,631	\$ 882,189,849	\$ 199,603,356	\$ 401,676,162
Undistributed (distributions in excess of) net investment income	649,435	(405,353)	(1,165,262)	(718,024)	3,223,424
Accumulated net realized loss	(146,430,319)	(183,691,236)	(370,143,030)	(53,030,772)	(156,198,567)
Net unrealized appreciation/depreciation	(5,311,075)	(5,606,473)	(91,659,569)	(7,483,876)	(27,528,074)
Net Assets	\$ 230,592,538	\$ 249,720,569	\$ 419,221,988	\$ 138,370,684	\$ 221,172,945
Net asset value	\$ 6.64	\$ 6.69	\$ 3.89	\$ 13.16	\$ 3.91
¹ Investments at cost unaffiliated	\$ 296,253,633	\$ 320,041,899	\$ 596,533,280	\$ 176,512,609	\$ 292,282,407
² Investments at cost affiliated	\$ 4,931,674	\$ 3,276,755	\$ 1,319,723	\$ 1,797,812	\$ 1,938,484
³ Foreign currency at cost	\$ 1,024,800	\$ 1,011,928	\$ 437,498	\$ 332,318	\$ 469
⁴ Shares outstanding, 200 million shares authorized, par value \$0.10 per share	34,713,378	37,333,466	107,657,486	10,516,588	56,542,893

See Notes to Financial Statements.

Statements of Operations

February 28, 2010	BlackRock Corporate High Yield Fund, Inc. (COY)	BlackRock Corporate High Yield Fund III, Inc. (CYE)	BlackRock Debt Strategies Fund, Inc. (DSU)	BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)	BlackRock Senior High Income Fund, Inc. (ARK)
Investment Income					
Interest	\$ 24,368,481	\$ 26,209,932	\$ 46,119,469	\$ 10,615,795	\$ 22,135,529
Foreign taxes withheld	(1,021)			(4)	
Facility and other fees	298,923	355,798	550,367	200,468	437,971
Dividends	31,258	65,051			
Income affiliated	9,075	8,667	13,475	8,225	8,309
Total income	24,706,716	26,639,448	46,683,311	10,824,484	22,581,809
Expenses					
Investment advisory	1,195,391	1,554,655	2,441,895	1,078,081	1,104,348
Borrowing costs ¹	247,486	262,737	421,005	182,944	281,903
Professional	111,625	114,138	207,613	115,629	138,190
Accounting services	59,672	59,151	118,896	25,293	52,819
Transfer agent	44,359	41,010	107,846	28,675	57,446
Custodian	24,320	30,070	26,762	34,925	15,879
Officer and Directors	24,124	27,647	65,483	15,036	23,204
Printing	18,190	20,678	47,059	19,437	28,533
Registration	11,866	12,805	37,801	9,166	19,296
Miscellaneous	68,991	72,220	92,893	40,254	62,126
Total expenses excluding interest expense	1,806,024	2,195,111	3,567,253	1,549,440	1,783,744
Interest expense	522,339	609,174	728,880	276,153	374,716
Total expenses	2,328,363	2,804,285	4,296,133	1,825,593	2,158,460
Less fees waived by advisor	(1,759)	(1,523)	(1,987)	(1,791)	(1,533)
Total expenses after fees waived	2,326,604	2,802,762	4,294,146	1,823,802	2,156,927
Net investment income	22,380,112	23,836,686	42,389,165	9,000,682	20,424,882
Realized and Unrealized Gain (Loss)					
Net realized loss from:					
Investments	(16,893,502)	(14,858,314)	(107,086,708)	(17,068,037)	(38,830,698)

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Swaps	(442,843)	(173,346)	(783,756)	(499,772)	(1,213,910)
Foreign currency transactions	(910,026)	(1,036,513)	(1,420,605)	(939,197)	(86,342)
	(18,246,371)	(16,068,173)	(109,291,069)	(18,507,006)	(40,130,950)
Net change in unrealized appreciation/depreciation on:					
Investments	102,229,656	111,446,486	275,386,401	61,689,507	113,616,454
Swaps	2,936,980	3,295,592	(1,563,576)	2,901,019	450,201
Foreign currency transactions	1,054,018	1,143,051	1,674,640	337,733	(8,560)
Unfunded loan commitments	(51,643)	(115,674)		142,635	
	106,169,011	115,769,455	275,497,465	65,070,894	114,058,095
Total realized and unrealized gain	87,922,640	99,701,282	166,206,396	46,563,888	73,927,145
Net Increase in Net Assets Resulting from Operations	\$ 110,302,752	\$ 123,537,968	\$ 208,595,561	\$ 55,564,570	\$ 94,352,027

¹ See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets:	BlackRock Corporate High Yield Fund, Inc. (COY)			BlackRock Corporate High Yield Fund III, Inc. (CYE)		
	Year Ended February 28, 2010	Period June 1, 2008 to February 28, 2009	Year Ended May 31, 2008	Year Ended February 28, 2010	Period June 1, 2008 to February 28, 2009	Year Ended May 31, 2008
Operations						
Net investment income	\$ 22,380,112	\$ 17,171,877	\$ 25,842,085	\$ 23,836,686	\$ 18,684,715	\$ 27,155,524
Net realized loss	(18,246,371)	(34,537,665)	(9,129,906)	(16,068,173)	(36,996,389)	(9,283,103)
Net change in unrealized appreciation/depreciation	106,169,011	(86,397,451)	(36,722,065)	115,769,455	(93,986,807)	(40,223,490)
Net increase (decrease) in net assets resulting from operations	110,302,752	(103,763,239)	(20,009,886)	123,537,968	(112,298,481)	(22,351,069)
Dividends to Shareholders From						
Net investment income	(25,342,365)	(19,134,959)	(26,113,293)	(25,189,541)	(20,800,925)	(28,767,885)
Capital Share Transactions						
Reinvestment of dividends	832,119			111,029		
Net Assets						
Total increase (decrease) in net assets	85,792,506	(122,898,198)	(46,123,179)	98,459,456	(133,099,406)	(51,118,954)
Beginning of period	144,800,032	267,698,230	313,821,409	151,261,113	284,360,519	335,479,473
End of period	\$ 230,592,538	\$ 144,800,032	\$ 267,698,230	\$ 249,720,569	\$ 151,261,113	\$ 284,360,519
Undistributed (distributions in excess of) net investment income	\$ 649,435	\$ 4,243,346	\$ 5,504,375	\$ (405,353)	\$ 1,653,945	\$ 3,076,301

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	BlackRock Debt Strategies Fund, Inc. (DSU)		BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)	
	Year Ended February 28,		Year Ended February 28,	
Increase (Decrease) in Net Assets:	2010	2009	2010	2009
Operations				
Net investment income	\$ 42,389,165	\$ 55,149,566	\$ 9,000,682	\$ 14,429,059
Net realized loss	(109,291,069)	(103,719,990)	(18,507,006)	(31,870,409)
Net change in unrealized appreciation/depreciation	275,497,465	(229,565,826)	65,070,894	(41,438,156)
Net increase (decrease) in net assets resulting from operations	208,595,561	(278,136,250)	55,564,570	(58,879,506)
Dividends to Shareholders From				
Net investment income	(41,936,207)	(65,857,392)	(10,283,447)	(16,017,675)
Tax return of capital	(926,392)		(825,748)	
Total dividends and distributions to shareholders	(42,862,599)	(65,857,392)	(11,109,195)	(16,017,675)
Capital Share Transactions				
Reinvestment of dividends	1,409,077	1,869,284	259,478	
Net Assets				
Total increase (decrease) in net assets	167,142,039	(342,124,358)	44,714,853	(74,897,181)
Beginning of year	252,079,949	594,204,307	93,655,831	168,553,012
End of year	\$ 419,221,988	\$ 252,079,949	\$ 138,370,684	\$ 93,655,831
Undistributed (distributions in excess of) net investment income	\$ (1,165,262)	\$ (749,083)	\$ (718,024)	\$ 1,132,254

See Notes to Financial Statements.

Statements of Changes in Net Assets (concluded)

	BlackRock Senior High Income Fund, Inc. (ARK)	
	Year Ended February 28,	
Increase (Decrease) in Net Assets:	2010	2009
Operations		
Net investment income	\$ 20,424,882	\$ 23,218,610
Net realized loss	(40,130,950)	(55,099,290)
Net change in unrealized appreciation/depreciation	114,058,095	(82,255,118)
Net increase (decrease) in net assets resulting from operations	94,352,027	(114,135,798)
Dividends and Distributions to Shareholders From		
Net investment income	(16,952,851)	(24,063,310)
Tax return of capital		(3,089,535)
Total dividends and distributions to shareholders	(16,952,851)	(27,152,845)
Capital Share Transactions		
Reinvestment of dividends	130,893	239,560
Net Assets		
Total increase (decrease) in net assets	77,530,069	(141,049,083)
Beginning of year	143,642,876	284,691,959
End of year	\$ 221,172,945	\$ 143,642,876
Undistributed (distributions in excess of) net investment income	\$ 3,223,424	\$ (267,346)

See Notes to Financial Statements.

Statements of Cash Flows

Year Ended February 28, 2010	BlackRock Corporate High Yield Fund, Inc. (COY)	BlackRock Corporate High Yield Fund III, Inc. (CYE)	BlackRock Debt Strategies Fund, Inc. (DSU)	BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)	BlackRock Senior High Income Fund, Inc. (ARK)
Cash Provided by (Used for) Operating Activities					
Net increase in net assets resulting from operations	\$ 110,302,752	\$ 123,537,968	\$ 208,595,561	\$ 55,564,570	\$ 94,352,027
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities:					
(Increase) decrease in interest receivable	(425,202)	(23,026)	2,997,568	468,511	518,099
(Increase) decrease in swaps receivable	(78,039)	(75,438)	(5,337)	29,557	20,215
Increase in commitment fees receivable		33	2,602	6,208	
(Increase) decrease in other assets	19,470	28,723	(501,894)	1,328	(100,154)
(Increase) decrease in dividends receivable	(18,104)	(19,829)	17,112		
(Increase) in prepaid expenses	(2,412)	(2,843)	(446)	(728)	(1,485)
Increase in investment advisory fees payable	37,836	52,233	56,505	24,933	24,437
Increase (decrease) in interest expense payable	103,787	119,913	97,305	46,096	23,705
Decrease in other affiliates payable	(847)	(947)	(864)	(264)	(1,147)
(Decrease) increase in accrued expenses payable	(24,140)	(7,287)	(21,566)	(18,926)	20,455
(Decrease) increase in swaps payable	63,371	32,567	(111,105)	(59,164)	(99,804)
Cash collateral on swaps	2,400,000				1,500,000
Increase in other liabilities			204,300	12	99,899
Increase in Officers and Directors fees payable	503	690	40,983	240	154
Net periodic and termination payments of swaps	(734,482)	(230,183)	(955,523)	35,214	(193,223)
Net realized and unrealized gain	(88,911,297)	(100,762,332)	(165,230,764)	(46,978,725)	(73,390,383)
Amortization of premium and discount on investments	(3,166,833)	(3,735,805)	(4,300,645)	(1,663,014)	(1,726,364)
Paid-in-kind income	(1,074,464)	(1,289,749)	(2,923,978)	(952,646)	(805,362)
Proceeds from sales and paydowns of long-term investments	189,981,530	217,650,077	343,049,000	130,545,501	167,966,835
Purchases of long-term investments	(217,385,568)	(247,554,377)	(320,122,079)	(126,333,212)	(168,733,701)
Net proceeds from sales of short-term securities	2,179,589	5,093,767	3,402,598	2,310,366	1,397,755
Cash provided by (used for) operating activities	(6,732,550)	(7,185,845)	64,289,333	13,025,857	20,871,958
Cash Provided by (Used for) Financing Activities					
Cash receipts from borrowings	131,000,000	149,000,000	255,000,000	109,000,000	135,000,000
Cash payments from borrowings	(97,700,000)	(117,200,000)	(278,000,000)	(111,000,000)	(139,000,000)
Cash dividends paid to shareholders	(24,637,844)	(25,216,305)	(41,841,336)	(10,958,900)	(16,993,912)
(Decrease) increase in bank overdraft	(926,999)	1,393,499		4,446	
Cash provided by (used for) financing activities	7,735,157	7,977,194	(64,841,336)	(12,954,454)	(20,993,912)

Cash Impact from Foreign Exchange Fluctuations

Cash impact from foreign exchange fluctuations	(32,897)	2,176	154,194	1,248	6
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Cash

Net increase (decrease) in cash	969,710	793,525	(397,809)	72,651	(121,948)
Cash and foreign currency at beginning of year	66,910	217,437	958,345	255,185	122,423
Cash at end of year	\$ 1,036,620	\$ 1,010,962	\$ 560,536	\$ 327,836	\$ 475

Cash Flow Information

Cash paid for interest	\$ 418,552	\$ 489,261	\$ 631,575	\$ 230,057	\$ 351,011
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Noncash Financing Activities

Capital shares issued in reinvestment of dividends paid to shareholders	\$ 832,119	\$ 111,029	\$ 1,409,077	\$ 259,478	\$ 130,893
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A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the year, based on the average borrowings outstanding in relation to average total assets.

See Notes to Financial Statements.

Financial Highlights

BlackRock Corporate High Yield Fund, Inc. (COY)

	Year Ended February 28, 2010	Period June 1, 2008 to February 28, 2009	Year Ended May 31,			
			2008	2007	2006	2005
Per Share Operating Performance						
Net asset value, beginning of period	\$ 4.19	\$ 7.74	\$ 9.07	\$ 8.52	\$ 8.53	\$ 8.48
Net investment income ¹	0.65	0.50	0.75	0.73	0.74	0.87
Net realized and unrealized gain (loss)	2.53	(3.50)	(1.32)	0.49	0.02	0.07
Net increase (decrease) from investment operations	3.18	(3.00)	(0.57)	1.22	0.76	0.94
Dividends from net investment income	(0.73)	(0.55)	(0.76)	(0.67)	(0.77)	(0.89)
Net asset value, end of period	\$ 6.64	\$ 4.19	\$ 7.74	\$ 9.07	\$ 8.52	\$ 8.53
Market price, end of period	\$ 6.88	\$ 3.91	\$ 7.28	\$ 8.47	\$ 7.42	\$ 8.46
Total Investment Return²						
Based on net asset value	79.91%	(38.98)% ³	(5.49)%	15.60%	9.75%	11.31%
Based on market price	99.76%	(39.46)% ³	(4.81)%	23.96%	(3.63)%	13.75%
Ratios to Average Net Assets						
Total expenses	1.18%	2.29% ⁴	2.33%	3.25%	2.39%	1.69%
Total expenses after fees waived and paid indirectly	1.18%	2.29% ⁴	2.33%	3.25%	2.39%	1.69%
Total expenses after fees waived and paid indirectly and excluding interest expense	0.92%	1.17% ⁴	0.83%	0.91%	0.90%	0.87%
Net investment income	11.36%	11.45% ⁴	9.15%	8.36%	8.55%	9.85%

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Supplemental Data

Net assets, end of period (000)	\$ 230,593	\$ 144,800	\$ 267,698	\$ 313,821	\$ 294,759	\$ 294,218
Borrowings outstanding, end of period (000)	\$ 72,000	\$ 38,700	\$ 64,700	\$ 126,200	\$ 127,700	\$ 100,600
Average borrowings outstanding during the period (000)	\$ 42,184	\$ 59,553	\$ 81,598	\$ 125,974	\$ 101,539	\$ 104,938
Portfolio turnover	85%	37%	38%	62%	57%	57%
Asset coverage, end of period per \$1,000	\$ 4,203	\$ 4,742	\$ 5,138	\$ 3,487	\$ 3,308	\$ 3,925

¹ Based on average shares outstanding.

² 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.

³ Aggregate total investment return.

⁴ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Corporate High Yield Fund III, Inc. (CYE)

	Year Ended February 28, 2010	Period June 1, 2008 to February 28, 2009	Year Ended May 31,			
			2008	2007	2006	2005
Per Share Operating Performance						
Net asset value, beginning of period	\$ 4.05	\$ 7.62	\$ 8.99	\$ 8.46	\$ 8.46	\$ 8.43
Net investment income ¹	0.64	0.50	0.73	0.71	0.72	0.85
Net realized and unrealized gain (loss)	2.68	(3.51)	(1.33)	0.49	0.02	0.07
Net increase (decrease) from investment operations	3.32	(3.01)	(0.60)	1.20	0.74	0.92
Dividends from net investment income	(0.68)	(0.56)	(0.77)	(0.67)	(0.74)	(0.89)
Net asset value, end of period	\$ 6.69	\$ 4.05	\$ 7.62	\$ 8.99	\$ 8.46	\$ 8.46
Market price, end of period	\$ 6.67	\$ 3.57	\$ 7.03	\$ 8.53	\$ 7.36	\$ 8.38
Total Investment Return²						
Based on net asset value	86.65%	(39.69)% ³	(5.69)%	15.51%	9.78%	11.24%
Based on market price	111.12%	(42.38)% ³	(8.30)%	25.98%	(3.59)%	16.55%
Ratios to Average Net Assets						
Total expenses	1.34%	2.45% ⁴	2.47%	3.38%	2.49%	1.81%
Total expenses after fees waived and paid indirectly	1.33%	2.45% ⁴	2.47%	3.38%	2.49%	1.81%
Total expenses after fees waived and paid indirectly and excluding interest expense	1.04%	1.29% ⁴	0.96%	1.04%	1.00%	0.99%
Net investment income	11.35%	11.80% ⁴	9.01%	8.25%	8.45%	9.71%