

BLACKROCK DEBT STRATEGIES FUND, INC.
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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, 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: 02/29/2012

Date of reporting period: 02/29/2012

Item 1 – Report to Stockholders

February 29, 2012

Annual Report

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 § No

Bank Guarantee § May
Lose Value

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Dear Shareholder

Risk assets were advancing at this time last year despite a wave of geopolitical revolutions, soaring oil prices and natural disasters in Japan. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5, 2011, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region's debt crisis. Investors began to reenter the markets and risk assets recovered through the month. But a lack of definitive details about Europe's rescue plan eventually raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw more political instability in Greece, unsustainable yields on Italian government bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated the markets, but investor confidence was easily tempered by sobering news flow.

Investors showed more optimism at the start of 2012. Risk assets rallied through January and February as economic data grew stronger and debt problems in Europe stabilized. In the United States, jobs data signaled solid improvement in the labor market and the Federal Reserve indicated that it would keep short-term interest rates low through 2014. In Europe, policymakers made significant progress toward securing a Greek bailout plan and restructuring the nation's debt. Nevertheless, considerable headwinds remain. Europe faces a prolonged recession, the US economy still remains somewhat shaky and the risks of additional flare ups of euro-zone debt problems and slowing growth in China weigh heavily on the future of the global economy.

Risk assets, including equities and high yield bonds, recovered their late-summer losses and posted strong returns for the 6-month period ended February 29, 2012. On a 12-month basis, US large-cap stocks and high yield bonds delivered positive results, while small-cap and emerging-market stocks finished slightly negative. International markets, which experienced some significant downturns in 2011, lagged the broader rebound. Fixed income securities, which benefited from declining yields, advanced over the 6- and 12-month periods. Despite their quality rating downgrade, US Treasury bonds performed particularly well. Municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain. For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times. Visit blackrock.com/newworld for more information.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times.
Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of February 29, 2012

	6-month	12-month
	13.31%	5.12%

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US large cap equities (S&P 500® Index)		
US small cap equities (Russell 2000® Index)	12.40	(0.15)
International equities (MSCI Europe, Australasia, Far East Index)	4.13	(7.45)
Emerging market equities (MSCI Emerging Markets Index)	5.27	(0.11)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.00	0.08
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	3.70	17.22
US investment grade bonds (Barclays US Aggregate Bond Index)	2.73	8.37
Tax-exempt municipal bonds (S&P Municipal Bond Index)	5.93	12.88
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	8.62	6.92

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 29, 2012

BlackRock Corporate High Yield Fund, Inc.

Investment Objective

BlackRock Corporate High Yield Fund, Inc. s (COY) (the Fund) investment objective is to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities, which are rated in the lower rating categories of the established rating services (BB or lower by Standard & Poor s Corporation (S&P s) or Ba or lower by Moody s Investors Service, Inc. (Moody s)) or are unrated securities considered by BlackRock to be of comparable quality. As a secondary objective, the Fund also seeks to provide shareholders with capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets in high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and corporate loans which are below investment grade quality. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended February 29, 2012, the Fund returned 20.39% based on market price and 7.15% 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 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Fund s positive performance during the 12-month period was driven largely by security selection among higher-quality and non-rated credits. The Fund s exposure to Charter Communications, Inc. boosted returns, as did holdings of Delphi Automotive Plc stock received in connection with the company s reorganization in 2009. Overall, risk assets performed well over the period despite sharp volatility in the latter half of 2011.

Assets with higher duration (greater sensitivity to interest rate movements) benefited most from the drop in interest rates over the period. Accordingly, the high yield market underperformed US Treasuries, investment grade corporate bonds and emerging market debt securities. The Fund s performance was negatively impacted by security selection within the mid-tier credit quality range. On a sector basis, selection within automotive, independent energy and paper detracted. The Fund reduced its allocation to floating rate loan interests (bank loans) during the period as the asset class underperformed relative to high yield bonds and higher quality investments.

The Fund uses credit default swaps to express a particular view in an individual credit name and as a means of managing risk. It also utilizes credit default swaps on a basket of securities in order to put cash to work or quickly increase or decrease the portfolio s exposure to market movements. The Fund may also use stock futures and options to hedge the equity risk inherent within an individual position or group of positions. Stock futures are an efficient mechanism for reducing risk under certain market conditions. The Fund also uses forward contracts on foreign currencies to hedge the currency risk of non-dollar denominated bonds. During the period, the use of derivatives had an overall positive impact on Fund returns.

Describe recent portfolio activity.

During the 12-month period, the Fund s positioning grew more conservative as the outlook for global growth deteriorated. The Fund migrated toward more resilient, higher-quality issuers paying attractive yields while reducing exposure to lower-quality issuers and higher-beta securities (those with greater sensitivity to market movements) that are more vulnerable to the economic cycle.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the

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Fund started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Fund maintained its higher-quality, income-oriented bias throughout the period. The Fund continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits and the more cyclical sectors.

Describe portfolio positioning at period end.

At period end, the Fund held 80% of its total portfolio in corporate bonds, 12% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred securities and other interests. The Fund's largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Fund ended the period with economic leverage at 21% of its total managed assets.

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

BlackRock Corporate High Yield Fund, Inc.**Fund Information**

Symbol on New York Stock Exchange (NYSE)	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of February 29, 2012 (\$7.76) ¹	7.89%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Economic Leverage as of February 29, 2012 ³	21%

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 borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$7.76	\$7.03	10.38%	\$7.82	\$5.99
Net Asset Value	\$7.29	\$7.42	(1.75)%	\$7.56	\$6.45

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

Portfolio Composition

	2/29/12	2/28/11
Corporate Bonds	80%	85%
Floating Rate Loan Interests	12	7
Common Stocks	5	5
Preferred Securities	2	1
Other Interests	1	2

Credit Quality Allocations⁴

	2/29/12	2/28/11
A	1%	1%
BBB/Baa	6	4
BB/Ba	42	31
B	40	46
CCC/Caa	10	13
Not Rated	1	5

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

Fund Summary as of February 29, 2012

BlackRock Corporate High Yield Fund III, Inc.

Investment Objective

BlackRock Corporate High Yield Fund III, Inc. s (CYE) (the Fund) primary investment objective is to provide current income by investing primarily in fixed-income securities, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P s or Baa or lower by Moody s) or are unrated securities of comparable quality. The Fund s secondary investment objective is to provide capital appreciation. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended February 29, 2012, the Fund returned 18.62% based on market price and 7.11% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Fund s positive performance during the 12-month period was driven largely by security selection among higher-quality credits. The Fund s exposure to Charter Communications, Inc. boosted returns, as did holdings of Delphi Automotive Plc stock received in connection with the company s reorganization in 2009. Overall, risk assets performed well over the period despite sharp volatility in the latter half of 2011.

Assets with higher duration (greater sensitivity to interest rate movements) benefited most from the drop in interest rates over the period. Accordingly, the high yield market underperformed US Treasuries, investment grade corporate bonds and emerging market debt securities. The Fund s performance was negatively impacted by security selection within the mid-tier credit quality range. On a sector basis, selection within automotive, independent energy and paper detracted. The Fund reduced its allocation to floating rate loan interests (bank loans) during the period as the asset class underperformed relative to high yield bonds and higher-quality investments.

The Fund uses credit default swaps to express a particular view in an individual credit name and as a means of managing risk. It also utilizes credit default swaps on a basket of securities in order to put cash to work or quickly increase or decrease the portfolio s exposure to market movements. The Fund may also use stock futures and options to hedge the equity risk inherent within an individual position or group of positions. Stock futures are an efficient mechanism for reducing risk under certain market conditions. The Fund also uses forward contracts on foreign currencies to hedge the currency risk of non-dollar denominated bonds. During the period, the use of derivatives had an overall positive impact on Fund returns.

Describe recent portfolio activity.

During the 12-month period, the Fund s positioning grew more conservative as the outlook for global growth deteriorated. The Fund migrated toward more resilient, higher-quality issuers paying attractive yields while reducing exposure to lower-quality issuers and higher-beta securities (those with greater sensitivity to market movements) that are more vulnerable to the economic cycle.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Fund maintained its higher-quality, income-oriented bias throughout the period. The Fund continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of

higher-beta credits and the more cyclical sectors.

Describe portfolio positioning at period end.

At period end, the Fund held 77% of its total portfolio in corporate bonds, 15% in floating rate loan interests (bank loans), with the remainder in common stocks and preferred securities. The Fund's largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Fund ended the period with economic leverage at 24% of its total managed assets.

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BlackRock Corporate High Yield Fund III, Inc.**Fund Information**

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of February 29, 2012 (\$7.75) ¹	7.90%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Economic Leverage as of February 29, 2012 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.

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 borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$7.75	\$7.14	8.54%	\$7.75	\$6.08
Net Asset Value	\$7.41	\$7.56	(1.98)%	\$7.70	\$6.54

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

Portfolio Composition

	2/29/12	2/28/11
Corporate Bonds	77%	80%
Floating Rate Loan Interests	15	11
Common Stocks	6	5
Preferred Securities	2	2
Other Interests		2

Credit Quality Allocations⁴

	2/29/12	2/28/11
A	1%	
BBB/Baa	7	4%
BB/Ba	38	31
B	43	46
CCC/Caa	10	14
Not Rated	1	5

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

Fund Summary as of February 29, 2012

BlackRock Debt Strategies Fund, Inc.

Investment Objective

BlackRock Debt Strategies Fund, Inc.'s (DSU) (the Fund) primary investment objective is to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. The Fund's secondary objective is to provide capital appreciation. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended February 29, 2012, the Fund returned 10.47% based on market price and 4.53% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund began the period with a discount to NAV, and ended the period with neither a discount nor a premium, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Fund's positive performance during the 12-month period was driven largely by security selection among non-rated credits. On a sector basis, selection in non-cable media, chemicals and electric names boosted returns. The Fund's tactical exposure to convertible bonds had a positive impact on performance and the use of leverage was an additional contributor.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund's allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the paper and technology sectors pared the Fund's gains for the period.

Describe recent portfolio activity.

As the outlook for global growth deteriorated and the European debt crisis intensified during the period, the Fund shifted to a more conservative stance by reducing exposure to higher-beta securities (those with greater sensitivity to market movements) while implementing hedging strategies and increasing its allocation to cash.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund added some risk back into the portfolio. The Fund removed hedges and returned to a fully invested posture amid the liquidity-driven credit rally as global sentiment improved and tail risk for financial markets declined. Though the Fund shifted to a more risk-on stance, it continued to favor higher-quality issuers and sought those with stable cash flows and visible earnings, while generally remaining cautious of higher-beta credits with greater sensitivity to the economic cycle.

Describe portfolio positioning at period end.

At period end, the Fund held 54% of its total portfolio in floating rate loan interests (bank loans), 43% in corporate bonds, with the remainder in common stocks, asset-backed securities and other interests. The Fund's largest sector exposures included cable media, independent energy and chemicals. The Fund ended the period with economic leverage at 25% of its total managed assets.

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BlackRock Debt Strategies Fund, Inc.

Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of February 29, 2012 (\$4.13) ¹	7.85%
Current Monthly Distribution per Common Share ²	\$0.027
Current Annualized Distribution per Common Share ²	\$0.324
Economic Leverage as of February 29, 2012 ³	25%

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 borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$4.13	\$4.05	1.98%	\$4.43	\$3.45
Net Asset Value	\$4.13	\$4.28	(3.50)%	\$4.31	\$3.79

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

Portfolio Composition

	2/29/12	2/28/11
Floating Rate Loan Interests	54%	53%
Corporate Bonds	43	43
Common Stocks	1	1
Asset-Backed Securities	1	2
Other Interests	1	1

Credit Quality Allocations⁴

	2/29/12	2/28/11
A	1%	
BBB/Baa	5	7%
BB/Ba	36	29
B	45	45
CCC/Caa	8	11
Not Rated	5	8

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

Fund Summary as of February 29, 2012

BlackRock Floating Rate Income Strategies Fund II, Inc.

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended February 29, 2012, the Fund returned (0.61)% based on market price and 3.41% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (1.41)% based on market price and 2.78% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Positive performance during the 12-month period was driven largely by security selection among higher-quality loan instruments and non-rated credits. On a sector basis, selection in chemicals, electric and non-cable media helped performance. The Fund s tactical exposure to high yield bonds proved beneficial as the asset class outperformed bank loans over the 12-month period.

Bank Loans underperformed high yield and assets with higher duration (greater sensitivity to interest rate movements), hindering the Fund s performance for the period. Security selection among lower-quality bank loans also detracted from results. On a sector basis, selection within paper and technology pared the Fund s gains for the period.

Describe recent portfolio activity.

The period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given the weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. The Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. While the developments during the period bode well for the posture of risk markets going forward, the Fund continues to maintain a high quality bias.

Describe portfolio positioning at period end.

At period end, the Fund held 84% of its total portfolio in floating rate loan interests (bank loans), 13% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest sector exposures included wireless, non-captive diversified financials and chemicals. The Fund ended the period with economic leverage at 22% of its total managed assets.

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

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of February 29, 2012 (\$13.21) ¹	6.63%
Current Monthly Distribution per Common Share ²	\$0.073
Current Annualized Distribution per Common Share ²	\$0.876
Economic Leverage as of February 29, 2012 ³	22%

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 borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$13.21	\$14.22	(7.10)%	\$14.79	\$11.39
Net Asset Value	\$13.60	\$14.07	(3.34)%	\$14.12	\$12.66

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

Portfolio Composition

	2/29/12	2/28/11
Floating Rate Loan Interests	84%	81%
Corporate Bonds	13	15
Asset-Backed Securities	2	3
Common Stocks	1	
Other Interests		1

Credit Quality Allocations⁴

	2/29/12	2/28/11
BBB/Baa	10%	7%
BB/Ba	36	34
B	39	42
CCC/Caa	7	8
Not Rated	8	9

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

Fund Summary as of February 29, 2012

BlackRock Senior High Income Fund, Inc.

Investment Objective

BlackRock Senior High Income Fund, Inc. s (ARK) (the **Fund**) investment objective is to provide high current income 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. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended February 29, 2012, the Fund returned 5.54% based on market price and 6.86% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Fund s positive performance during the 12-month period was driven largely by security selection among non-rated credits. Selection among lower-rated credits had a modestly positive impact. On a sector basis, selection in chemicals, non-cable media and electric names boosted returns. The Fund s tactical exposure to convertible bonds proved beneficial and the use of leverage was an additional contributor.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund s allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the paper and technology sectors dampened results for the period.

Describe recent portfolio activity.

As the outlook for global growth deteriorated and the European debt crisis intensified during the period, the Fund shifted to more conservative stance by reducing exposure to higher-beta securities (those with greater sensitivity to market movements) while implementing hedging strategies and increasing its allocation to cash.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund added some risk back into the portfolio. The Fund removed hedges and returned to a fully invested posture amid the liquidity-driven credit rally as global sentiment improved and tail risk for financial markets declined. Though the Fund shifted to a more risk-on stance, it continued to favor higher-quality issuers and sought those with stable cash flows and visible earnings, while generally remaining cautious of higher-beta credits with greater sensitivity to the economic cycle.

Describe portfolio positioning at period end.

At period end, the Fund held 56% of its total portfolio in floating rate loan interests (bank loans), 41% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest sector exposures included cable media, independent energy and chemicals. The Fund ended the period with economic leverage at 23% of its total managed assets.

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BlackRock Senior High Income Fund, Inc.**Fund Information**

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of February 29, 2012 (\$4.06) ¹	7.39%
Current Monthly Distribution per Common Share ²	\$0.025
Current Annualized Distribution per Common Share ²	\$0.300
Economic Leverage as of February 29, 2012 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.

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 borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$4.06	\$4.18	(2.87)%	\$4.31	\$3.42
Net Asset Value	\$4.15	\$4.22	(1.66)%	\$4.27	\$3.86

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

Portfolio Composition

	2/29/12	2/28/11
Floating Rate Loan Interests	56%	53%
Corporate Bonds	41	43
Asset-Backed Securities	2	2
Common Stocks	1	1
Other Interests		1

Credit Quality Allocations⁴

	2/29/12	2/28/11
A	1%	
BBB/Baa	6	9%
BB/Ba	39	31
B	48	49
CCC/Caa	3	3
Not Rated	3	8

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 of their common shares (Common Shares). 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 financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

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

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays 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 the borrowings earn income based on long-term interest rates. In this case, the interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the Fund's 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, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Funds are permitted to issue senior securities representing indebtedness up to 33¹/₃% of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of February 29, 2012, the Funds had aggregate economic leverage from borrowings through a credit facility as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
COY	21%
CYE	24%
DSU	25%
FRB	22%

Derivative Financial Instruments

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

Consolidated Schedule of Investments February 29, 2012

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

Common Stocks	Shares	Value
Auto Components 3.2%		
Dana Holding Corp. (a)	59,640	\$ 954,241
Delphi Automotive Plc (a)	11,906	381,005
Delphi Automotive Plc (180-day lock) (acquired 11/17/11, cost \$2,338,924) (a)(b)	220,982	6,894,626
		8,229,872
Capital Markets 0.3%		
E*Trade Financial Corp. (a)	68,100	655,803
Commercial Banks 0.3%		
CIT Group, Inc. (a)	15,510	631,412
Communications Equipment 0.3%		
Loral Space & Communications Ltd. (a)	11,463	816,624
Containers & Packaging 0.0%		
Smurfit Kappa Plc (a)	3,634	36,895
Diversified Financial Services 0.6%		
Kcad Holdings I Ltd.	178,231	1,631,702
Diversified Telecommunication Services 0.1%		
Level 3 Communications, Inc. (a)	14,120	343,257
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	67,974	340
Energy Equipment & Services 1.0%		
Laricina Energy Ltd. (a)	35,294	1,515,988
Osum Oil Sands Corp. (a)	74,000	934,863
Transocean Ltd.	5,000	266,700
		2,717,551
Hotels, Restaurants & Leisure 0.0%		
Travelport Worldwide Ltd.	70,685	35,343
Media 1.7%		
Belo Corp., Class A	43,324	310,633
Charter Communications, Inc. (a)	59,916	3,799,273
Clear Channel Outdoor Holdings, Inc., Class A (a)	8,934	118,197
		4,228,103
Metals & Mining 0.2%		
African Minerals Ltd. (a)	40,400	369,340
Paper & Forest Products 0.1%		
Ainsworth Lumber Co. Ltd.	41,686	65,723
Ainsworth Lumber Co. Ltd. (c)	36,744	57,932
Western Forest Products, Inc. (a)	147,968	143,564
Western Forest Products, Inc. (a)(c)	41,528	40,292
		307,511
Professional Services 0.0%		
Pendrell Corp. (a)	3,200	7,744
Road & Rail 0.2%		
Dollar Thrifty Automotive Group, Inc. (a)	5,500	417,505
Semiconductors & Semiconductor Equipment 0.3%		
Spanion, Inc., Class A (a)	60,342	772,378
SunPower Corp. (a)	123	926
		773,304

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Common Stocks	Shares	Value
Software 0.0%		
Bankruptcy Management Solutions, Inc. (a)	468	\$ 9
HMH Holdings/EduMedia (a)	82,415	20,604
		20,613
Total Common Stocks 8.3%		21,222,919

Corporate Bonds	Par (000)	
Aerospace & Defense 0.5%		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 210	221,025
7.13%, 3/15/21	295	316,019
Kratos Defense & Security Solutions, Inc.,		
10.00%, 6/01/17	716	771,490
		1,308,534
Air Freight & Logistics 0.5%		
National Air Cargo Group, Inc.:		
Series 1, 12.38%, 9/02/15	593	618,153
Series 2, 12.38%, 8/16/15	599	624,794
		1,242,947
Airlines 2.2%		
American Airlines Pass-Through Trust, Series 2011-2,		
Class A, 8.63%, 4/15/23	1,038	1,100,280
Continental Airlines, Inc.:		
6.75%, 9/15/15 (c)	540	545,400
6.90%, 7/02/18	268	267,116
Series 2010-1, Class B, 6.00%, 7/12/20	384	372,290
Delta Air Lines, Inc.:		
Series 2009-1-B, 9.75%, 6/17/18	180	190,654
Series 2010-1-B, 6.38%, 7/02/17	447	417,945
United Air Lines, Inc., 12.75%, 7/15/12	1,964	2,032,906
US Airways Pass-Through Trust, Series 2011-1,		
Class C, 10.88%, 10/22/14	630	630,000
		5,556,591
Auto Components 1.8%		
Allison Transmission, Inc., 11.00%, 11/01/15 (c)	68	71,825
Baker Corp. International, Inc., 8.25%, 6/01/19 (c)	190	193,800
Dana Holding Corp., 6.75%, 2/15/21	410	443,825
Delphi Corp., 6.13%, 5/15/21 (c)	150	160,875
Icahn Enterprises LP, 8.00%, 1/15/18	2,995	3,174,700
International Automotive Components Group, SL,		
9.13%, 6/01/18 (c)	40	35,600
Titan International, Inc., 7.88%, 10/01/17	430	456,875
		4,537,500
Beverages 0.4%		
Cott Beverages, Inc., 8.13%, 9/01/18	245	270,112
Crown European Holdings SA:		
7.13%, 8/15/18 (c)	EUR 277	395,342
7.13%, 8/15/18	221	315,417
		980,871

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
ETF	Exchange-Traded Fund

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DIP	Debtor-In-Possession
EUR	Euro
FKA	Formerly Known As
GBP	British Pound
SPDR	Standard and Poor's Depository Receipts
USD	US Dollar

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Biotechnology 0.1%		
QHP Pharma, 10.25%, 3/15/15 (c)	USD 218	\$ 219,339
Building Products 0.7%		
Building Materials Corp. of America (c):		
7.00%, 2/15/20	410	444,850
6.75%, 5/01/21	930	1,011,375
Momentive Performance Materials, Inc., 11.50%, 12/01/16	435	365,400
		1,821,625
Capital Markets 1.0%		
American Capital Ltd., 7.96%, 12/31/13 (d)	650	662,051
E*Trade Financial Corp.:		
12.50%, 11/30/17 (e)	980	1,141,700
3.43%, 8/31/19 (c)(f)(g)	226	213,853
KKR Group Finance Co., 6.38%, 9/29/20 (c)	600	638,530
		2,656,134
Chemicals 4.0%		
American Pacific Corp., 9.00%, 2/01/15	800	780,000
Ashland, Inc., 9.13%, 6/01/17	395	443,388
Basell Finance Co. BV, 8.10%, 3/15/27 (c)	455	520,975
Celanese US Holdings LLC, 5.88%, 6/15/21	1,640	1,787,600
Chemtura Corp., 7.88%, 9/01/18	345	370,875
Hexion U.S. Finance Corp., 9.00%, 11/15/20	285	279,300
Huntsman International LLC, 8.63%, 3/15/21	155	175,150
Ineos Finance Plc, 8.38%, 2/15/19 (c)	430	456,875
Kinove German Bondco GmbH, 10.00%, 6/15/18	EUR 350	479,128
Kraton Polymers LLC, 6.75%, 3/01/19	USD 115	117,300
Lyondell Chemical Co., 11.00%, 5/01/18	2,516	2,758,076
LyondellBasell Industries NV, 6.00%, 11/15/21 (c)	145	159,138
Nexeo Solutions LLC, 8.38%, 3/01/18 (c)	170	170,000
OXEA Finance/Cy SCA, 9.63%, 7/15/17 (c)	EUR 366	523,835
PolyOne Corp., 7.38%, 9/15/20	USD 200	215,500
Solutia, Inc., 7.88%, 3/15/20	565	662,462
TPC Group LLC, 8.25%, 10/01/17	310	327,050
		10,226,652
Commercial Banks 2.4%		
CIT Group, Inc.:		
7.00%, 5/02/16 (c)	2,245	2,247,806
7.00%, 5/01/17	955	955,000
7.00%, 5/02/17 (c)	2,395	2,397,994
5.50%, 2/15/19 (c)	550	561,687
		6,162,487
Commercial Services & Supplies 1.9%		
ACCO Brands Corp., 10.63%, 3/15/15	305	336,647
Aviation Capital Group Corp., 6.75%, 4/06/21 (c)	500	495,620
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c)	24	22,800
Casella Waste Systems, Inc., 7.75%, 2/15/19	610	606,950
Clean Harbors, Inc., 7.63%, 8/15/16	320	339,200
Iron Mountain, Inc., 7.75%, 10/01/19	380	419,900
Mobile Mini, Inc., 7.88%, 12/01/20	335	351,750

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RSC Equipment Rental, Inc.:			
10.00%, 7/15/17 (c)		555	643,800
8.25%, 2/01/21		800	848,000
Verisure Holding AB:			
8.75%, 9/01/18	EUR	169	227,410
8.75%, 12/01/18		100	118,575
WCA Waste Corp., 7.50%, 6/15/19 (c)	USD	310	313,875
West Corp., 8.63%, 10/01/18		125	137,187
			4,861,714

Corporate Bonds		Par (000)		Value
Communications Equipment 0.7%				
Avaya, Inc., 9.75%, 11/01/15	USD	650	\$	650,000
Frontier Communications Corp., 6.25%, 1/15/13		830		856,975
Hughes Satellite Systems Corp., 6.50%, 6/15/19		340		360,400
				1,867,375
Computers & Peripherals 0.1%				
SanDisk Corp., 1.50%, 8/15/17 (g)		200		239,500
Construction & Engineering 0.1%				
Abengoa SA, 8.50%, 3/31/16	EUR	100		136,587
Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (c)	USD	175		184,188
				320,775
Construction Materials 0.2%				
Xefin Lux SCA:				
8.00%, 6/01/18	EUR	100		133,896
8.00%, 6/01/18 (c)		233		311,978
				445,874
Consumer Finance 1.5%				
Credit Acceptance Corp., 9.13%, 2/01/17	USD	435		463,275
Ford Motor Credit Co. LLC:				
7.80%, 6/01/12		200		202,465
7.00%, 4/15/15		1,890		2,097,900
12.00%, 5/15/15		670		842,487
6.63%, 8/15/17		131		148,445
				3,754,572
Containers & Packaging 1.3%				
Ardagh Packaging Finance Plc (c):				
7.38%, 10/15/17		205		220,375
7.38%, 10/15/17	EUR	335		470,868
9.13%, 10/15/20	USD	365		376,862
Berry Plastics Corp.:				
4.42%, 9/15/14 (h)		275		263,312
8.25%, 11/15/15		110		118,250
9.75%, 1/15/21		330		353,100
GCL Holdings SCA, 9.38%, 4/15/18 (c)	EUR	244		290,135
Graphic Packaging International, Inc.,				
7.88%, 10/01/18	USD	340		374,000
OI European Group BV, 6.88%, 3/31/17	EUR	152		210,610
Sealed Air Corp., 8.38%, 9/15/21	USD	235		269,075
Smurfit Kappa Acquisitions, 7.75%, 11/15/19 (c)	EUR	296		424,924
				3,371,511
Diversified Consumer Services 1.5%				
Service Corp. International, 7.00%, 6/15/17	USD	2,800		3,136,000
ServiceMaster Co., 8.00%, 2/15/20 (c)		605		638,275
				3,774,275
Diversified Financial Services 4.9%				
Ally Financial, Inc.:				
7.50%, 12/31/13		350		372,750
8.30%, 2/12/15		530		585,650

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6.25%, 12/01/17		480	496,137
7.50%, 9/15/20		620	682,775
8.00%, 11/01/31		1,075	1,199,969
8.00%, 11/01/31		560	607,631
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		340	362,525
Boparan Holdings Ltd. (c):			
9.75%, 4/30/18	EUR	100	131,098
9.88%, 4/30/18	GBP	130	203,715
DPL, Inc., 7.25%, 10/15/21 (c)	USD	725	826,500
FCE Bank Plc, 4.75%, 1/19/15	EUR	838	1,144,367

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

		Par (000)	Value
Corporate Bonds			
Diversified Financial Services (concluded)			
General Motors Financial Co., Inc., 6.75%, 6/01/18 (c)	USD	270	\$ 291,373
Leucadia National Corp., 8.13%, 9/15/15		790	878,875
Reynolds Group Issuer, Inc.:			
8.75%, 10/15/16 (c)		425	452,625
8.75%, 10/15/16 (c)(k)	EUR	290	410,515
8.75%, 10/15/16		503	712,031
7.13%, 4/15/19 (c)	USD	230	243,225
7.88%, 8/15/19 (c)		1,010	1,105,950
9.88%, 8/15/19 (c)		1,030	1,064,762
WMG Acquisition Corp. (c):			
9.50%, 6/15/16		110	121,550
11.50%, 10/01/18		535	568,437
			12,462,460
Diversified Telecommunication Services 3.8%			
Broadview Networks Holdings, Inc., 11.38%, 9/01/12		1,000	897,500
GCI, Inc., 6.75%, 6/01/21		264	267,300
ITC Deltacom, Inc., 10.50%, 4/01/16		260	271,050
Level 3 Financing, Inc. (c):			
8.13%, 7/01/19		2,144	2,245,840
8.63%, 7/15/20		980	1,046,150
Qwest Communications International, Inc.:			
7.50%, 2/15/14		1,200	1,204,200
8.00%, 10/01/15		610	654,797
Series B, 7.50%, 2/15/14		1,575	1,580,513
Qwest Corp., 7.63%, 6/15/15		500	568,794
Videotron Ltee, 5.00%, 7/15/22 (c)(i)		130	130,325
Windstream Corp.:			
8.13%, 8/01/13		400	429,000
7.88%, 11/01/17		360	405,900
			9,701,369
Electric Utilities 0.8%			
The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14	EUR	1,600	1,992,054
Electronic Equipment, Instruments & Components 0.2%			
Elster Finance BV, 6.25%, 4/15/18 (c)	USD	105	141,850
Jabil Circuit, Inc., 8.25%, 3/15/18		215	255,850
NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (c)		190	214,937
			612,637
Energy Equipment & Services 3.2%			
Antero Resources Finance Corp., 7.25%, 8/01/19 (c)		150	158,250
Atwood Oceanics, Inc., 6.50%, 2/01/20		130	136,825
Calfrac Holdings LP, 7.50%, 12/01/20 (c)		360	360,000
Compagnie Générale de Géophysique Veritas, 7.75%, 5/15/17		235	244,694
Forbes Energy Services Ltd., 9.00%, 6/15/19		335	329,975
Frac Tech Services LLC, 7.63%, 11/15/18 (c)		1,615	1,724,012
Key Energy Services, Inc., 6.75%, 3/01/21		415	434,713

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MEG Energy Corp., 6.50%, 3/15/21 (c)	900	963,000
Oil States International, Inc., 6.50%, 6/01/19	290	311,750
Peabody Energy Corp., 6.25%, 11/15/21 (c)	2,410	2,524,475
Transocean, Inc., 6.38%, 12/15/21	695	820,204
		8,007,898
Food Products 0.2%		
Darling International, Inc., 8.50%, 12/15/18	220	247,500
Post Holdings, Inc., 7.38%, 2/15/22 (c)	210	223,650
		471,150

Corporate Bonds	Par (000)	Value
Health Care Equipment & Supplies 2.2%		
Biomet, Inc.:		
10.00%, 10/15/17	USD 180	\$ 195,525
10.38%, 10/15/17 (e)	1,335	1,453,481
DJO Finance LLC (FKA Johnson Diversey, Inc):		
10.88%, 11/15/14	2,130	2,167,275
7.75%, 4/15/18	95	81,700
Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (c)	192	212,640
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (c)	600	633,000
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)	500	577,500
Teleflex, Inc., 6.88%, 6/01/19	270	290,925
		5,612,046

Health Care Providers & Services 5.4%		
Aviv Healthcare Properties LP, 7.75%, 2/15/19	380	388,550
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)	EUR 400	552,904
Crown Newco 3 Plc, 7.00%, 2/15/18 (c)	GBP 331	519,347
HCA, Inc.:		
8.50%, 4/15/19	USD 120	134,400
6.50%, 2/15/20	1,830	1,962,675
7.88%, 2/15/20	85	93,713
7.25%, 9/15/20	2,405	2,621,450
5.88%, 3/15/22	250	256,250
Health Management Associates, Inc., 7.38%, 1/15/20 (c)	860	896,550
IASIS Healthcare LLC, 8.38%, 5/15/19 (c)	695	663,725
INC Research LLC, 11.50%, 7/15/19 (c)	375	360,000
inVentiv Health, Inc. (FKA Ventive Health, Inc.), 10.00%, 8/15/18 (c)	115	104,650
Omnicare, Inc., 7.75%, 6/01/20	905	1,007,944
PSS World Medical, Inc., 6.38%, 3/01/22 (c)	265	275,600
Symbion, Inc., 8.00%, 6/15/16 (c)	315	303,975
Tenet Healthcare Corp.:		
10.00%, 5/01/18	752	876,080
6.25%, 11/01/18 (c)	300	319,875
8.88%, 7/01/19	2,010	2,291,400
		13,629,088

Health Care Technology 1.0%		
IMS Health, Inc., 12.50%, 3/01/18 (c)	2,235	2,659,650
Hotels, Restaurants & Leisure 2.7%		
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	275	301,125
10.00%, 12/15/18	1,345	1,039,012
Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (c)	655	668,100
Diamond Resorts Corp., 12.00%, 8/15/18	1,100	1,160,500
El Dorado Resorts LLC, 8.63%, 6/15/19 (c)	125	119,063
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 296	381,434

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Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (c)	USD	270	237,600
MGM Resorts International:			
13.00%, 11/15/13		90	105,075
10.38%, 5/15/14		235	267,313
4.25%, 4/15/15 (g)		495	530,887
11.13%, 11/15/17		1,315	1,495,812
Travelport LLC (FKA Travelport, Inc):			
5.11%, 9/01/14 (h)		165	84,563
9.88%, 9/01/14		35	20,038
9.00%, 3/01/16		110	58,300
6.58%, 12/01/16 (c)(e)		373	262,728
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(j)		315	
			6,731,550

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

		Par (000)	Value
Corporate Bonds			
Household Durables 1.6%			
Beazer Homes USA, Inc., 12.00%, 10/15/17	USD	1,425	\$ 1,553,250
Jarden Corp., 7.50%, 1/15/20	EUR	285	383,502
Ryland Group, Inc., 6.63%, 5/01/20	USD	315	321,300
Standard Pacific Corp.:			
10.75%, 9/15/16		1,285	1,476,144
8.38%, 1/15/21		265	281,563
			4,015,759
Household Products 0.2%			
Ontex IV SA, 7.50%, 4/15/18 (c)	EUR	130	159,343
Spectrum Brands Holdings, Inc., 9.50%, 6/15/18	USD	330	376,200
			535,543
Independent Power Producers & Energy Traders 3.0%			
AES Corp., 7.38%, 7/01/21		600	684,000
Calpine Corp. (c):			
7.25%, 10/15/17		165	174,900
7.50%, 2/15/21		95	103,075
7.88%, 1/15/23		260	283,400
Energy Future Holdings Corp., 10.00%, 1/15/20		2,920	3,157,250
Energy Future Intermediate Holding Co. LLC:			
10.00%, 12/01/20		881	956,986
11.75%, 3/01/22 (c)		1,310	1,342,750
Laredo Petroleum, Inc., 9.50%, 2/15/19		470	518,175
QEP Resources, Inc., 5.38%, 10/01/22		305	308,050
			7,528,586
Industrial Conglomerates 2.5%			
Sequa Corp. (c):			
11.75%, 12/01/15		2,190	2,326,875
13.50%, 12/01/15		3,759	4,012,468
			6,339,343
Insurance 1.0%			
Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)		1,600	1,682,000
CNO Financial Group, Inc., 9.00%, 1/15/18 (c)		339	364,849
Genworth Financial, Inc., 7.63%, 9/24/21		390	404,634
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)		235	209,738
			2,661,221
IT Services 1.7%			
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)		510	527,850
First Data Corp.:			
7.38%, 6/15/19 (c)		180	182,025
8.88%, 8/15/20 (c)		495	535,837
8.25%, 1/15/21 (c)		610	590,175
12.63%, 1/15/21		1,368	1,436,400
SunGard Data Systems, Inc.:			
7.38%, 11/15/18		400	430,000
7.63%, 11/15/20		550	594,000
			4,296,287
Machinery 0.8%			
Navistar International Corp.:			
3.00%, 10/15/14 (g)		301	339,001

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8.25%, 11/01/21	126	137,813
SPX Corp., 6.88%, 9/01/17	160	177,600
UR Financing Escrow Corp. (c)(i):		
5.75%, 7/15/18	236	242,490
7.38%, 5/15/20	320	328,400
7.63%, 4/15/22	820	848,700
		2,074,004

Corporate Bonds	Par (000)	Value
Media 14.0%		
Affinion Group, Inc., 7.88%, 12/15/18	USD 745	\$ 666,775
AMC Networks, Inc., 7.75%, 7/15/21 (c)	205	228,575
CCH II LLC, 13.50%, 11/30/16	2,982	3,429,719
CCO Holdings LLC:		
7.88%, 4/30/18	100	109,250
7.38%, 6/01/20	240	264,000
6.50%, 4/30/21	411	436,687
Checkout Holding Corp., 10.68%, 11/15/15 (c)(f)	615	276,750
Cinemark USA, Inc., 8.63%, 6/15/19	200	222,500
Clear Channel Communications, Inc., 9.00%, 3/01/21	505	464,600
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	1,379	1,510,005
7.63%, 3/15/20 (c)(i)	960	960,000
Series B, 9.25%, 12/15/17	5,280	5,808,000
Cox Enterprises, Inc. (c):		
Loan Close 2, 12.00%, 8/15/18	642	651,751
Loan Close 3, 12.00%, 8/15/18	734	745,139
Shares Loan, 12.00%, 8/15/18	757	768,500
CSC Holdings LLC, 8.50%, 4/15/14	370	410,700
DISH DBS Corp., 7.00%, 10/01/13	90	96,638
Gray Television, Inc., 10.50%, 6/29/15	900	950,625
Harland Clarke Holdings Corp.:		
6.00%, 5/15/15 (c)	330	225,225
9.50%, 5/15/15	290	228,375
Intelsat Luxembourg SA:		
11.25%, 6/15/16	1,400	1,480,500
11.25%, 2/04/17	330	340,313
11.50%, 2/04/17 (e)	1,220	1,256,600
Interactive Data Corp., 10.25%, 8/01/18	1,235	1,392,462
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	315	360,675
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (c)	EUR 613	873,869
Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (c)	315	442,794
Lamar Media Corp., 5.88%, 2/01/22 (c)	USD 185	193,094
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)	675	718,031
Musketeer GmbH, 9.50%, 3/15/21 (c)	EUR 385	553,970
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (c)	USD 570	627,000
Nielsen Finance LLC:		
11.63%, 2/01/14	45	52,313
7.75%, 10/15/18	2,085	2,319,562
Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)	GBP 189	296,922
ProQuest LLC, 9.00%, 10/15/18 (c)	USD 460	407,100
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(g)(j)	812	406
Unitymedia GmbH:		
9.63%, 12/01/19	EUR 158	227,344

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9.63%, 12/01/19 (c)		530	762,608
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH) (c):			
8.13%, 12/01/17	USD	540	585,900
8.13%, 12/01/17	EUR	407	582,914
UPC Holding BV, 9.88%, 4/15/18 (c)	USD	400	444,000
UPCB Finance II Ltd. (c):			
6.38%, 7/01/20	EUR	753	998,205
6.38%, 7/01/20		300	397,691
Virgin Media Secured Finance Plc, 7.00%, 1/15/18	GBP	279	479,370
Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)	EUR	343	483,255
Ziggo Finance BV, 6.13%, 11/15/17 (c)		672	928,879
			35,659,591

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Metals & Mining 3.1%		
Goldcorp, Inc., 2.00%, 8/01/14 (g)	USD 970	\$ 1,229,475
New World Resources NV, 7.88%, 5/01/18	EUR 627	847,882
Newmont Mining Corp., Series A, 1.25%, 7/15/14 (g)	USD 1,345	1,856,100
Novelis, Inc., 8.75%, 12/15/20 (c)	3,045	3,395,175
Taseko Mines Ltd., 7.75%, 4/15/19	385	369,600
Vedanta Resources Plc, 8.25%, 6/07/21 (c)	245	226,013
		7,924,245
Multiline Retail 1.7%		
Dollar General Corp., 11.88%, 7/15/17 (h)	4,007	4,397,723
Oil, Gas & Consumable Fuels 10.7%		
Alpha Natural Resources, Inc., 6.25%, 6/01/21	365	354,050
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)	405	417,150
Berry Petroleum Co., 8.25%, 11/01/16	470	489,975
Bill Barrett Corp., 9.88%, 7/15/16	20	22,100
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)	235	246,163
Carrizo Oil & Gas, Inc., 8.63%, 10/15/18	120	124,800
Chesapeake Midstream Partners LP, 6.13%, 7/15/22	250	258,750
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (c)	50	51,000
Coffeyville Resources LLC, 9.00%, 4/01/15 (c)	243	260,010
Concho Resources, Inc., 7.00%, 1/15/21	375	421,875
Consol Energy, Inc., 8.25%, 4/01/20	1,800	1,962,000
Continental Resources, Inc., 7.13%, 4/01/21	340	377,400
Copano Energy LLC, 7.13%, 4/01/21	305	323,300
Crosstex Energy LP, 8.88%, 2/15/18	165	179,025
Crown Oil Partners IV LP, 15.00%, 3/07/15	535	534,697
Denbury Resources, Inc.:		
8.25%, 2/15/20	597	680,580
6.38%, 8/15/21	320	352,800
Energy XXI Gulf Coast, Inc.:		
9.25%, 12/15/17	510	564,825
7.75%, 6/15/19	815	859,825
EV Energy Partners LP, 8.00%, 4/15/19	140	147,000
Hilcorp Energy I LP, 7.63%, 4/15/21 (c)	690	752,100
Holly Energy Partners LP, 6.50%, 3/01/20 (c)(i)	145	148,081
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)	300	321,000
Linn Energy LLC:		
6.50%, 5/15/19 (c)	90	91,800
6.25%, 11/01/19 (c)	1,665	1,662,919
8.63%, 4/15/20	205	227,550
7.75%, 2/01/21	185	198,875
MarkWest Energy Partners LP, 6.75%, 11/01/20	120	131,100
Newfield Exploration Co., 6.88%, 2/01/20	865	934,200
Niska Gas Storage US LLC, 8.88%, 3/15/18	525	504,000
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	300	318,000
6.50%, 11/01/21	270	278,100
	4,410	4,597,425

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OGX Petroleo e Gas Participações SA, 8.50%, 6/01/18 (c)		
PBF Holding Co. LLC, 8.25%, 2/15/20 (c)	315	315,000
PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)	800	850,000
Petrohawk Energy Corp.:		
10.50%, 8/01/14	350	388,937
7.88%, 6/01/15	450	475,312
7.25%, 8/15/18	290	331,688
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)	530	556,500
Pioneer Natural Resources Co.:		
6.88%, 5/01/18	425	499,236
7.50%, 1/15/20	135	166,829

	Par (000)	Value
Corporate Bonds		
Oil, Gas & Consumable Fuels (concluded)		
Plains Exploration & Production Co.:		
6.63%, 5/01/21	USD 735	\$ 793,800
6.75%, 2/01/22	475	520,125
Precision Drilling Corp., 6.50%, 12/15/21 (c)	275	293,563
Range Resources Corp.:		
8.00%, 5/15/19	345	384,675
5.75%, 6/01/21	900	963,000
5.00%, 8/15/22 (i)	403	407,030
Ruby Pipeline LLC, 6.00%, 4/01/22 (c)	360	359,278
Samson Investment Co., 9.75%, 2/15/20 (c)	605	636,762
SandRidge Energy, Inc., 7.50%, 3/15/21	410	414,100
SM Energy Co., 6.63%, 2/15/19	120	128,700
		27,277,010
Paper & Forest Products 2.3%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(e)	363	264,678
Boise Paper Holdings LLC:		
9.00%, 11/01/17	400	440,000
8.00%, 4/01/20	140	153,650
Clearwater Paper Corp.:		
10.63%, 6/15/16	370	420,413
7.13%, 11/01/18	535	569,775
Georgia-Pacific LLC, 8.25%, 5/01/16 (c)	1,525	1,689,436
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (c)	315	323,663
NewPage Corp., 11.38%, 12/31/14 (a)(j)	1,935	1,165,837
Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)	120	112,500
Verso Paper Holdings LLC, 11.50%, 7/01/14	707	721,140
		5,861,092
Pharmaceuticals 0.7%		
Capsugel Finance Co. SCA:		
9.88%, 8/01/19	EUR 100	143,222
9.88%, 8/01/19 (c)	200	286,444
Jaguar Holding Co. II, 9.50%, 12/01/19 (c)	USD 390	426,563
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (c)	780	795,600
		1,651,829
Professional Services 0.4%		
FTI Consulting, Inc., 6.75%, 10/01/20	850	919,062
Real Estate Investment Trusts (REITs) 0.7%		
Felcor Lodging LP, 6.75%, 6/01/19	1,285	1,313,912
The Rouse Co. LP, 6.75%, 11/09/15	480	502,200
		1,816,112
Real Estate Management & Development 2.4%		
CBRE Services, Inc., 6.63%, 10/15/20	310	329,375
Forest City Enterprises, Inc., 7.63%, 6/01/15	1,325	1,305,125

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Realogy Corp.:		
11.50%, 4/15/17	360	329,400
12.00%, 4/15/17	90	82,800
7.88%, 2/15/19 (c)	2,185	2,119,450
7.63%, 1/15/20 (c)	465	480,112
9.00%, 1/15/20 (c)	335	336,675
Shea Homes LP, 8.63%, 5/15/19 (c)	1,145	1,156,450
		6,139,387
Road & Rail 1.6%		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	115	119,888
Florida East Coast Railway Corp., 8.13%, 2/01/17	410	414,100
Hertz Holdings Netherlands BV:		
8.50%, 7/31/15	EUR 172	247,488
8.50%, 7/31/15 (c)	1,225	1,762,632

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Road & Rail (concluded)		
The Hertz Corp.:		
7.50%, 10/15/18	USD 595	\$ 641,856
6.75%, 4/15/19 (c)	100	104,750
6.75%, 4/15/19 (c)(i)	265	277,588
7.38%, 1/15/21 (c)	455	492,537
		4,060,839
Semiconductors & Semiconductor		
Equipment 0.2%		
Spansion LLC, 7.88%, 11/15/17 (c)	540	530,550
Software 0.2%		
Sophia LP, 9.75%, 1/15/19 (c)	408	438,600
Specialty Retail 2.5%		
Asbury Automotive Group, Inc., 8.38%, 11/15/20	335	359,288
Hillman Group, Inc., 10.88%, 6/01/18	490	513,275
House of Fraser Funding Plc, 8.88%, 8/15/18 (c)	GBP 480	683,451
Limited Brands, Inc.:		
8.50%, 6/15/19	USD 745	890,275
5.63%, 2/15/22	150	154,500
Phones4u Finance Plc, 9.50%, 4/01/18 (c)	GBP 370	516,525
QVC, Inc. (c):		
7.13%, 4/15/17	USD 210	225,750
7.50%, 10/01/19	565	627,150
7.38%, 10/15/20	270	299,025
Sally Holdings LLC, 6.88%, 11/15/19 (c)	500	537,500
Sonic Automotive, Inc., 9.00%, 3/15/18	345	375,187
Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)	135	138,713
United Auto Group, Inc., 7.75%, 12/15/16	950	990,384
		6,311,023
Transportation Infrastructure 0.2%		
Aguila 3 SA, 7.88%, 1/31/18 (c)	398	418,397
Wireless Telecommunication Services 5.2%		
Cricket Communications, Inc., 7.75%, 5/15/16	226	240,690
Digicel Group Ltd. (c):		
8.88%, 1/15/15	635	646,112
9.13%, 1/15/15	1,711	1,744,845
8.25%, 9/01/17	1,135	1,203,100
10.50%, 4/15/18	500	545,000
iPCS, Inc., 2.67%, 5/01/13 (h)	920	885,500
Matterhorn Mobile Holdings SA, 8.25%, 2/15/20	EUR 300	411,681
MetroPCS Wireless, Inc., 6.63%, 11/15/20	USD 990	1,019,700
NII Capital Corp., 7.63%, 4/01/21	614	627,815
Sprint Capital Corp., 6.88%, 11/15/28	2,230	1,739,400
Sprint Nextel Corp. (c):		
9.00%, 11/15/18	1,950	2,174,250
7.00%, 3/01/20	1,850	1,880,062
		13,118,155
Total Corporate Bonds 102.0%		259,202,536

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Floating Rate Loan Interests (h)

Airlines 0.2%			
Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17	522		509,292
Auto Components 0.2%			
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	450		451,314
Building Products 0.1%			
Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17	318		323,155

	Par (000)		Value
Floating Rate Loan Interests (h)			
Capital Markets 0.4%			
Nuveen Investments, Inc.:			
7.25%, 5/13/17	USD 600	\$	604,200
8.25%, 2/28/19	380		383,325
			987,525

Chemicals 0.1%			
PQ Corp., Term Loan B (First Lien), 3.50%, 7/30/14 (FKA Niagara Acquisition, Inc)	313		305,139

Communications Equipment 0.1%			
Avaya, Inc., Term Loan B1, 3.24%, 10/24/14	180		176,125

Construction & Engineering 0.7%			
Safeway Services LLC, Mezzanine Loan, 15.63%, 12/16/17	1,750		1,750,000

Consumer Finance 1.4%			
Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	3,940		3,591,743

Diversified Consumer Services 0.0%			
ServiceMaster Co.:			
Delayed Draw Term Loan, 2.75% 2.99%, 7/24/14	8		7,566
Term Loan, 2.80%, 7/24/14	77		75,974
			83,540

Diversified Telecommunication Services 0.2%			
Level 3 Financing, Inc., Incremental Tranche A Term Loan, 2.49% 2.83%, 3/13/14	475		467,162

Electronic Equipment, Instruments & Components 0.1%			
CDW LLC (FKA CDW Corp.):			
Non-Extended Term Loan, 3.74%, 10/10/14	97		96,793
Extended Term Loan, 4.00%, 7/14/17	255		249,217
			346,010

Energy Equipment & Services 1.0%			
CCS Corp., Incremental Term Loan, 6.50%, 10/17/14	250		250,250
Dynegy Holdings, Inc.:			
Coal Co. Term Loan, 9.25%, 8/04/16	1,332		1,324,178
Gas Co. Term Loan, 9.25%, 8/04/16	968		998,054
			2,572,482

Food & Staples Retailing 0.1%			
U.S. Foodservice, Inc., Term Loan B, 2.74%, 7/03/14	155		149,575

Food Products 0.1%			
Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17	200		200,166

Health Care Providers & Services 0.6%			
Harden Healthcare LLC:			
Term Loan A, 8.50%, 3/02/15	361		353,458
	412		403,490

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Tranche A Additional Term Loan, 7.75%, 3/02/15		
inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16	795	764,413
		1,521,361
Hotels, Restaurants & Leisure 1.3%		
Caesars Entertainment Operating Co., Inc.:		
Incremental Term Loan B4, 9.50%, 10/31/16	450	462,888
Term Loan B1, 3.24%, 1/28/15	740	693,809
Term Loan B2, 3.24%, 1/28/15	284	266,259
Term Loan B3, 3.24% 3.47%, 1/28/15	900	842,846
OSI Restaurant Partners LLC:		
Revolver, 2.56% 2.79%, 6/14/13	9	8,319
Term Loan B, 2.56%, 6/14/14	86	84,383
Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16	950	856,586

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (h)		
Hotels, Restaurants & Leisure (concluded)		
Travelport LLC (FKA Travelport, Inc.):		
Extended Tranche A Term Loan, 6.54%, 9/28/12	USD 172	\$ 81,479
Extended Tranche B Term Loan, 14.04%, 12/01/16	533	119,916
		3,416,485
Independent Power Producers & Energy Traders 0.1%		
Texas Competitive Electric Holdings Co. LLC (TXU), Extended Term Loan, 4.74%, 10/10/17		
	686	382,898
Industrial Conglomerates 0.2%		
Sequa Corp., Incremental Term Loan, 6.25%, 12/03/14		
	405	406,349
IT Services 0.3%		
First Data Corp., Extended Term Loan B, 4.24%, 3/23/18		
	720	646,085
Leisure Equipment & Products 0.2%		
Eastman Kodak Co., Term Loan B, 8.50%, 7/20/13		
	540	546,583
Media 4.9%		
Cengage Learning Acquisitions, Inc.:		
Term Loan, 2.49%, 7/03/14	295	273,760
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,447	1,400,456
Cequel Communications LLC, Term Loan B, 4.00%, 2/11/19	550	544,374
Clear Channel Communications:		
Term Loan B, 3.89%, 1/28/16	1,970	1,616,766
Term Loan C, 3.89%, 1/28/16	354	280,450
HMH Publishing Co. Ltd., Term Loan, 6.49%, 6/12/14	855	528,252
Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	5,955	5,944,876
Interactive Data Corp., New Term Loan B, 4.50%, 2/12/18	45	44,899
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,375	1,414,531
Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17	310	287,882
		12,336,246
Multiline Retail 0.4%		
HEMA Holding BV, Mezzanine, 9.03%, 7/05/17		
	EUR 1,125	1,147,114
Oil, Gas & Consumable Fuels 0.6%		
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15		
	USD 1,525	1,532,265
Paper & Forest Products 0.3%		
Verso Paper Finance Holdings LLC, Term Loan with PIK option, 6.79% 7.54%, 2/01/13		
	1,372	686,018
Pharmaceuticals 0.1%		
Pharmaceutical Products Development, Inc., Term Loan B, 6.25%, 12/05/18		
	360	363,150

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Real Estate Investment Trusts (REITs) 0.6%		
iStar Financial, Inc., Term Loan A1, 5.00%, 6/28/13	1,525	1,518,469
Real Estate Management & Development 0.3%		
Realogy Corp.:		
Extended Synthetic Letter of Credit Loan, 4.53%, 10/10/16	104	96,574
Extended Term Loan, 4.77%, 10/10/16	689	639,091
		735,665
Semiconductors & Semiconductor Equipment 0.0%		
NXP B.V., Term Loan A-2, 5.50%, 3/03/17	65	64,512

	Par (000)	Value
Floating Rate Loan Interests (h)		
Software 0.2%		
Infor Enterprise Solutions Holdings, Inc.:		
Extended Delayed Draw Term Loan, 7/28/15	USD 26	\$ 25,430
Extended Initial Term Loan, 7/28/15	49	47,883
Extended Initial Term Loan, 7/28/15	EUR 395	495,998
		569,311
Specialty Retail 0.2%		
Claire's Stores, Inc., Term Loan B, 2.99% - 3.30%, 5/29/14	USD 482	456,568
Wireless Telecommunication Services 0.1%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19	190	189,135
Total Floating Rate Loan Interests 15.1%		38,431,442

	Beneficial Interest (000)	
Other Interests (l)		
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate (a)	2,650	27
Media 0.0%		
Adelphia Escrow (a)	700	7
Adelphia Recovery Trust (a)	878	88
		95
Total Other Interests 0.0%		122

	Par (000)	
Preferred Securities		
Capital Trusts 0.2%		
Insurance 0.2%		
Genworth Financial, Inc., 6.15%, 11/15/66 (h)	790	542,137

	Shares	
Preferred Stocks		
Auto Components 0.4%		
Dana Holding Corp., 4.00% (a)(c)	7,570	1,019,111
Diversified Financial Services 1.1%		
Ally Financial, Inc., 7.00% (c)(h)	3,083	2,675,081
Total Preferred Stocks 1.5%		3,694,192

Trust Preferred

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		Par (000)	
Diversified Financial Services 0.8%			
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c)	USD	67,560	1,581,082
RBS Capital Funding Trust VII, 6.08%, 12/31/49		41,000	560,470
			2,141,552
Total Preferred Securities 2.5%			6,377,881

Warrants (m)

Health Care Providers & Services 0.0%

HealthSouth Corp. (Expires 1/16/14)		29,930	
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See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Warrants (m)		
Media 0.1%		
Cumulus Media, Inc. (Expires 3/26/19)	USD 39,975	\$ 288,732
New Vision Holdings LLC, (Expires 9/30/14)	14,965	
		288,732
Software 0.0%		
Bankruptcy Management Solutions, Inc. (Expires 9/29/17)	312	
HMH Holdings/EduMedia (Expires 3/09/17)	10	
Total Warrants 0.1%		288,732
Total Long-Term Investments		
(Cost \$318,754,854) 128.0%		325,523,632

Short-Term Securities

BlackRock Liquidity Funds, TempCash, Institutional Class, 0.16% (n)(o)	2,264,805	2,264,805
Total Short-Term Securities		
(Cost \$2,264,805) 0.9%		2,264,805

Options Purchased

	Contracts	
Exchange-Traded Put Options 0.1%		
SPDR S&P 500 ETF Trust:		
Strike Price USD 134.00, Expires 3/17/12	1,075	101,050
Strike Price USD 136.00, Expires 3/17/12	180	28,440
Strike Price USD 136.00, Expires 4/21/12	180	57,420
		186,910
Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Bank USA	17	
Total Options Purchased		
(Cost \$426,553) 0.1%		186,910
Total Investments Before Options Written		
(Cost \$321,446,212) 129.0%		327,975,347

Options Written

Exchange-Traded Put Options (0.0)%		
SPDR S&P 500 ETF Trust, Strike Price USD 125.00, Expires 3/17/12	1,075	(15,587)
Total Options Written		
(Premiums Received \$76,897) (0.0)%		(15,587)
Total Investments, Net of Options Written 129.0%		327,959,760
Liabilities in Excess of Other Assets (29.0)%		(73,783,998)
Net Assets 100.0%		\$ 254,175,762

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- (a) Non-income producing security.
- (b) Restricted security as to resale. As of report date the Fund held 2.7% of its net assets, with a current value of \$6,894,626 and an original cost of \$2,338,924 in this security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) 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.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Variable rate security. Rate shown is as of report date.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Goldman Sachs & Co.	\$ 960,000	
Citigroup Global Markets, Inc.	\$ 148,081	\$ 3,081
Bank of America	\$ 537,355	\$ 4,355
Barclays Capital Inc.	\$ 277,588	\$ 1,988
Morgan Stanley Co.	\$ 1,419,590	\$ 43,590

- (j) Issuer filed for bankruptcy and/or is in default of interest payments.
- (k) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (l) Other interests represent beneficial interest in liquidation trusts and other reorganization or private entities.
- (m) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (n) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at February 28, 2011	Net Activity	Shares Held at February 28, 2012	Income
BlackRock Liquidity Funds, TempCash, Institutional Class	1,721,866	542,939	2,264,805	\$ 1,625

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

Financial futures contracts sold as of February 29, 2012 were as follows:

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Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
117	S&P 500 Index E-Mini	Chicago Mercantile	March 2012	\$ 7,981,740	\$ (257,937)

Foreign currency exchange contracts as of February 29, 2012 were as follows:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	901,215	CAD	925,000	Citibank NA	4/11/12	\$ (32,815)
USD	476,773	GBP	300,000	Citibank NA	4/11/12	(362)
EUR	94,000	USD	121,713	Citibank NA	4/18/12	3,548
USD	18,023,462	EUR	14,031,500	Citibank NA	4/18/12	(674,365)
USD	260,236	EUR	198,000	Citibank NA	4/18/12	(3,611)
USD	504,030	EUR	380,000	Citibank NA	4/18/12	(2,343)
USD	129,685	EUR	98,000	Citibank NA	4/18/12	(906)
EUR	300,000	USD	403,899	Deutsche Bank AG	4/18/12	(4,131)
USD	72,462	EUR	56,000	Deutsche Bank AG	4/18/12	(2,161)
USD	129,945	EUR	98,000	Deutsche Bank AG	4/18/12	(646)
USD	166,318	GBP	106,000	Royal Bank of Scotland Plc	4/11/12	(2,270)
USD	1,674,448	CAD	1,710,000	Royal Bank of Scotland Plc	4/11/12	(52,246)
GBP	150,000	USD	235,239	Royal Bank of Scotland Plc	4/11/12	3,328
USD	736,004	EUR	565,000	Royal Bank of Scotland Plc	4/18/12	(16,893)

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

Foreign currency exchange contracts as of February 29, 2012 were as follows (concluded):

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	104,559	EUR	80,000	Royal Bank of Scotland Plc	4/18/12	\$ (2,045)
USD	436,394	EUR	329,000	Royal Bank of Scotland Plc	4/18/12	(2,018)
USD	3,029,818	GBP	1,976,500	UBS AG	4/11/12	(113,702)
USD	321,008	EUR	243,000	UBS AG	4/18/12	(2,805)
Total						\$ (906,443)

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 95	\$ (5,287)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 155	(8,097)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 85	(2,410)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(2,861)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(5,209)
Republic of Hungary	1.00%	Deutsche Bank AG	12/20/15	\$ 280	14,909
Realogy Corp.	5.00%	Goldman Sachs International	9/20/16	\$ 125	(14,443)
iStar Financial, Inc.	5.00%	Deutsche Bank AG	12/20/16	\$ 250	(25,647)
Israel (State of)	1.00%	Deutsche Bank AG	3/20/17	\$ 210	(2,183)
Israel Government Bond	1.00%	Deutsche Bank AG	3/20/17	\$ 625	(6,931)
Total					\$ (58,159)

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Air Lease Corporation	5.00%	Goldman Sachs International	2/14/13	NR	\$ 500	\$ 690
CIT Group, Inc.	5.00%	Deutsche Bank AG	9/20/15	BB	\$ 3,100	207,030
Aramark Corp.	5.00%	Goldman Sachs International	3/20/16	B	\$ 500	26,496

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Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$	300	14,273
Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$	300	16,159
Aramark Corp.	5.00%	Credit Suisse Securities (USA LLC)	9/20/16	B	\$	125	10,126
Aramark Corp.	5.00%	Goldman Sachs International	9/20/16	B	\$	350	15,806
Aramark Corp.	5.00%	Goldman Sachs International	9/20/16	B	\$	125	9,663

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows (concluded):

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Bausch & Lomb Incorporated	5.00%	Credit Suisse Securities (USA LLC)	3/20/17	B	\$ 100	\$ 5,007
Aramark Corp.	5.00%	Deutsche Bank AG	3/20/17	B	\$ 185	3,984
Crown Castle International Corp.	7.25%	Deutsche Bank AG	3/20/17	B	\$ 430	9,327
Ford Motor Company	5.00%	Deutsche Bank AG	3/20/17	BB+	\$ 1,300	78,265
CCO Holding LLC	8.00%	Deutsche Bank AG	9/20/17	BB	\$ 1,500	(84)
Total						\$ 396,742

¹ Using S&P's rating.

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

Credit default swaps on traded indexes sold protection outstanding as of February 29, 2012 were as follows:

Index	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating ³	Notional Amount (000) ⁴	Unrealized Appreciation
Dow Jones CDX North America High Yield Index Series 17	5.00%	Morgan Stanley	12/20/16	B+	\$ 582	\$ 26,506

³ Using S&P's rating of the underlying securities.

⁴ The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks	\$ 9,783,549	\$ 7,300,861	\$ 4,138,509	\$ 21,222,919
Corporate Bonds		255,021,496	4,181,040	259,202,536
Floating Rate Loan Interests		32,976,564	5,454,878	38,431,442
Other Interests	88		34	122
Preferred Securities	2,141,552	4,236,329		6,377,881
Warrants		288,732		288,732
Short-Term Investments	2,264,805			2,264,805
Total	\$ 14,189,994	\$ 299,823,982	\$ 13,774,461	\$ 327,788,437

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Credit contracts		\$ 221,195	\$ 217,046	\$ 438,241
Equity contracts	\$ 186,910			186,910
Foreign currency exchange contracts		6,876		6,876
Liabilities:				
Credit contracts		(73,068)	(84)	(73,152)
Equity contracts	(273,524)			(273,524)
Foreign currency exchange contracts		(913,319)		(913,319)
Total	\$ (86,614)	\$ (758,316)	\$ 216,962	\$ (627,968)

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

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

	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Unfunded Loan Commitments (Liabilities)	Total
Assets/Liabilities:							
Balance, as of February 28, 2011	\$ 412,146	\$ 5,083,048	\$ 6,878,236	\$ 7	\$ 154	(11,592)	\$ 12,361,999

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Accrued discounts/premiums		6,787	92,447			99,234
Net realized gain (loss)	5,012	(2,034,509)	39,924			(1,989,573)
Net change in unrealized appreciation/depreciation ²	(2,557,439)	2,637,797	288,385	27	(154)	11,592
Purchases	6,283,492	624,199	336,483			7,244,174
Sales	(6,339)	(2,136,282)	(3,005,956)			(5,148,577)
Transfers in ³	1,637		825,359			826,996
Transfers out ³						
Balance, as of February 29, 2012	\$ 4,138,509	\$ 4,181,040	\$ 5,454,878	\$ 34		\$ 13,774,461

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on securities still held on February 29, 2012 was \$(3,458,179).

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

	Credit Contracts
Assets/Liabilities:	
Balance, as of February 28, 2011	
Accrued discounts/premiums	\$ (28,779)
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation ⁴	216,962
Issuances ⁵	268,154
Purchases	
Sales	
Settlements ⁶	(239,375)
Transfers in ³	
Transfers out ³	
Balance, as of February 29, 2012	\$ 216,962

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

⁴ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/ depreciation on derivative financial instruments still held at February 29, 2012 was \$216,962.

⁵ Issuances represent upfront cash received on certain derivative financial instruments.

⁶ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments February 29, 2012

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

	Shares	Value
Common Stocks		
Auto Components 2.9%		
Delphi Automotive Plc (a)	13,654	\$ 436,941
Delphi Automotive Plc (180-day lock) (acquired 11/17/11, cost \$2,417,941) (a)(b)	242,654	7,570,792
		8,007,733
Capital Markets 0.3%		
E*Trade Financial Corp. (a)	74,600	718,398
Commercial Banks 0.3%		
CIT Group, Inc. (a)	16,900	687,999
Communications Equipment 0.3%		
Loral Space & Communications Ltd. (a)	12,778	910,305
Diversified Financial Services 0.6%		
Kcad Holdings I Ltd.	186,717,877	1,709,402
Diversified Telecommunication Services 0.1%		
Level 3 Communications, Inc. (a)	15,380	373,888
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	70,784	354
Energy Equipment & Services 1.0%		
Laricina Energy Ltd. (a)	35,294	1,515,988
Osum Oil Sands Corp. (a)	82,000	1,035,929
Transocean Ltd.	5,400	288,036
		2,839,953
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc.	1,099	110
Travelport Worldwide Ltd.	76,940	38,470
		38,580
Media 1.6%		
Belo Corp., Class A	47,382	339,729
Charter Communications, Inc. (a)	63,805	4,045,875
Clear Channel Outdoor Holdings, Inc., Class A (a)	9,964	131,824
		4,517,428
Metals & Mining 0.2%		
African Minerals Ltd. (a)	47,050	430,135
Paper & Forest Products 0.2%		
Ainsworth Lumber Co. Ltd.	122,117	192,534
Ainsworth Lumber Co. Ltd. (c)	140,415	221,383
Western Forest Products, Inc. (a)	158,023	153,319
Western Forest Products, Inc. (a)(c)	45,762	44,400
		611,636
Professional Services 0.0%		
Pendrell Corp. (a)	3,500	8,470
Road & Rail 0.2%		
Dollar Thrifty Automotive Group, Inc. (a)	5,900	447,869
Semiconductors & Semiconductor Equipment 0.3%		
Spansion, Inc., Class A (a)	64,237	822,233
SunPower Corp. (a)	271	2,041
		824,274
Software 0.0%		
Bankruptcy Management Solutions, Inc. (a)	501	10
HMH Holdings/EduMedia (a)	89,669	22,417
		22,427

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Total Common Stocks 8.0% 22,148,851

	Par (000)	Value
Corporate Bonds		
Aerospace & Defense 0.5%		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 230	\$ 242,075
7.13%, 3/15/21	330	353,513
Kratos Defense & Security Solutions, Inc.,		
10.00%, 6/01/17	756	814,590
		1,410,178
Air Freight & Logistics 0.5%		
National Air Cargo Group, Inc.:		
Series 1, 12.38%, 9/02/15	637	664,306
Series 2, 12.38%, 8/16/15	644	671,519
		1,335,825
Airlines 2.2%		
American Airlines Pass-Through Trust, Series 2011-2,		
Class A, 8.63%, 4/15/23	1,120	1,187,200
Continental Airlines, Inc.:		
6.75%, 9/15/15 (c)	630	636,300
Series 1997-4-B, 6.90%, 7/02/18 (d)	278	277,009
Series 2010-1-B, 6.00%, 7/12/20	480	465,363
Delta Air Lines, Inc.:		
Series 2009-1-B, 9.75%, 6/17/18	199	211,186
Series 2010-1-B, 6.38%, 7/02/17	500	467,500
United Air Lines, Inc., 12.75%, 7/15/12	2,062	2,134,551
US Airways Pass-Through Trust, Series 2011-1,		
Class C, 10.88%, 10/22/14	690	690,000
		6,069,109
Auto Components 1.8%		
Allison Transmission, Inc., 11.00%, 11/01/15 (c)	72	76,050
Baker Corp. International, Inc., 8.25%, 6/01/19 (c)	210	214,200
Dana Holding Corp., 6.75%, 2/15/21	450	487,125
Delphi Corp., 6.13%, 5/15/21 (c)	170	182,325
Icahn Enterprises LP:		
4.00%, 8/15/13 (c)(e)(f)	255	256,530
8.00%, 1/15/18	3,035	3,217,100
International Automotive Components Group, SL,		
9.13%, 6/01/18 (c)	40	35,600
Titan International, Inc., 7.88%, 10/01/17	465	494,062
		4,962,992
Beverages 0.4%		
Cott Beverages, Inc., 8.13%, 9/01/18		
	264	291,060
Crown European Holdings SA:		
7.13%, 8/15/18 (c)	EUR 302	431,022
7.13%, 8/15/18	238	339,680
		1,061,762
Biotechnology 0.1%		
QHP Pharma, 10.25%, 3/15/15 (c)	USD 221	222,472
Building Products 0.7%		
Building Materials Corp. of America (c):		
7.00%, 2/15/20	440	477,400
6.75%, 5/01/21	1,020	1,109,250
Momentive Performance Materials, Inc.,		
11.50%, 12/01/16	475	399,000
		1,985,650
Capital Markets 1.1%		
American Capital Ltd., 7.96%, 12/31/13 (g)		
	720	733,349
E*Trade Financial Corp.:		
12.50%, 11/30/17 (h)	1,070	1,246,550

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3.39%, 8/31/19 (c)(e)(h)	244	230,885
Series A, 3.64%, 8/31/19 (e)(h)	7	6,624
KKR Group Finance Co., 6.38%, 9/29/20 (c)	650	691,741
		2,909,149

See Notes to Consolidated Financial Statements.

ANNUAL REPORT

FEBRUARY 29, 2012

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Chemicals 3.8%		
American Pacific Corp., 9.00%, 2/01/15	USD 880	\$ 858,000
Ashland, Inc., 9.13%, 6/01/17	430	482,675
Basell Finance Co. BV, 8.10%, 3/15/27 (c)	495	566,775
Celanese US Holdings LLC, 5.88%, 6/15/21	1,785	1,945,650
Chemtura Corp., 7.88%, 9/01/18	375	403,125
Hexion U.S. Finance Corp., 9.00%, 11/15/20	310	303,800
Huntsman International LLC, 8.63%, 3/15/21	170	192,100
Ineos Finance Plc, 8.38%, 2/15/19 (c)	465	494,062
Kinove German Bondco GmbH, 10.00%, 6/15/18	EUR 380	520,196
Kraton Polymers LLC, 6.75%, 3/01/19	USD 125	127,500
Lyondell Chemical Co., 11.00%, 5/01/18	2,743	3,007,320
LyondellBasell Industries NV, 6.00%, 11/15/21 (c)	165	181,088
Nexo Solutions LLC, 8.38%, 3/01/18 (c)	185	185,000
PolyOne Corp., 7.38%, 9/15/20	215	231,662
Solutia, Inc., 7.88%, 3/15/20	620	726,950
TPC Group LLC, 8.25%, 10/01/17	335	353,425
		10,579,328
Commercial Banks 2.3%		
CIT Group, Inc. (c):		
7.00%, 5/02/16	3,276	3,280,095
7.00%, 5/02/17	2,420	2,423,025
5.50%, 2/15/19	600	612,750
		6,315,870
Commercial Services & Supplies 1.9%		
ACCO Brands Corp., 10.63%, 3/15/15	330	364,241
Aviation Capital Group Corp., 6.75%, 4/06/21 (c)	540	535,270
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)	114	119,030
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c)	25	23,750
Casella Waste Systems, Inc., 7.75%, 2/15/19	650	646,750
Clean Harbors, Inc., 7.63%, 8/15/16	380	402,800
Iron Mountain, Inc., 7.75%, 10/01/19	420	464,100
Mobile Mini, Inc., 7.88%, 12/01/20	365	383,250
RSC Equipment Rental, Inc.:		
10.00%, 7/15/17 (c)	585	678,600
8.25%, 2/01/21	875	927,500
Verisure Holding AB:		
8.75%, 9/01/18	EUR 184	247,594
8.75%, 12/01/18	100	118,575
WCA Waste Corp., 7.50%, 6/15/19 (c)	USD 330	334,125
West Corp., 8.63%, 10/01/18	135	148,162
		5,393,747
Communications Equipment 0.8%		
Avaya, Inc., 9.75%, 11/01/15	780	780,000
Frontier Communications Corp., 6.25%, 1/15/13	900	929,250
Hughes Satellite Systems Corp., 6.50%, 6/15/19	380	402,800
		2,112,050
Computers & Peripherals 0.1%		
SanDisk Corp., 1.50%, 8/15/17 (e)	220	263,450
Construction & Engineering 0.1%		

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Abengoa SA, 8.50%, 3/31/16	EUR	100	136,587
Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (c)	USD	200	210,500
			347,087

Construction Materials 0.2%

Xefin Lux SCA: 8.00%, 6/01/18	EUR	100	133,896
8.00%, 6/01/18 (c)		254	340,096
			473,992

Corporate Bonds		Par (000)	Value
Consumer Finance 1.4%			
Credit Acceptance Corp., 9.13%, 2/01/17	USD	445	\$ 473,925
Ford Motor Credit Co. LLC: 7.80%, 6/01/12		200	202,466
7.00%, 4/15/15		2,030	2,253,300
12.00%, 5/15/15		730	917,933
6.63%, 8/15/17		139	157,510
			4,005,134

Containers & Packaging 1.3%

Ardagh Packaging Finance Plc (c): 7.38%, 10/15/17		205	220,375
7.38%, 10/15/17	EUR	375	527,091
9.13%, 10/15/20	USD	395	407,837
Berry Plastics Corp.: 4.42%, 9/15/14 (f)		300	287,250
8.25%, 11/15/15		115	123,625
9.75%, 1/15/21		360	385,200
GCL Holdings SCA, 9.38%, 4/15/18 (c)	EUR	267	317,484
Graphic Packaging International, Inc., 7.88%, 10/01/18	USD	375	412,500
OI European Group BV, 6.88%, 3/31/17	EUR	155	214,767
Sealed Air Corp., 8.38%, 9/15/21	USD	255	291,975
Smurfit Kappa Acquisitions, 7.75%, 11/15/19 (c)	EUR	315	452,199
			3,640,303

Diversified Consumer Services 1.5%

Service Corp. International, 7.00%, 6/15/17	USD	3,000	3,360,000
ServiceMaster Co., 8.00%, 2/15/20 (c)		655	691,025
			4,051,025

Diversified Financial Services 5.3%

Ally Financial, Inc.: 7.50%, 12/31/13		280	298,200
8.30%, 2/12/15		540	596,700
6.25%, 12/01/17		660	682,188
7.50%, 9/15/20		670	737,837
8.00%, 11/01/31		1,170	1,306,012
8.00%, 11/01/31		610	661,884
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		373	397,711
Boparan Holdings Ltd. (c): 9.75%, 4/30/18	EUR	102	133,720
9.88%, 4/30/18	GBP	145	227,220
DPL, Inc., 7.25%, 10/15/21 (c)	USD	795	906,300
FCE Bank Plc, 4.75%, 1/19/15	EUR	1,000	1,365,594
General Motors Financial Co., Inc., 6.75%, 6/01/18 (c)	USD	300	323,747
Lehman Brothers Holdings, Inc. (i): 5.38%, 10/17/12	EUR	150	54,758
5.75%, 5/17/13	USD	620	168,175
4.75%, 1/16/14	EUR	760	277,438
1.00%, 2/05/14		1,600	596,870

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8.80%, 3/01/15	USD	175	47,469
Leucadia National Corp., 8.13%, 9/15/15		825	917,812
Reynolds Group Issuer, Inc.:			
8.75%, 10/15/16 (c)(j)	EUR	345	488,371
8.75%, 10/15/16		566	801,212
8.75%, 10/15/16 (c)	USD	418	445,170
7.13%, 4/15/19 (c)		245	259,088
7.88%, 8/15/19 (c)		1,095	1,199,025
9.88%, 8/15/19 (c)		1,110	1,147,462
WMG Acquisition Corp. (c):			
9.50%, 6/15/16		120	132,600
11.50%, 10/01/18		585	621,563
			14,794,126

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Diversified Telecommunication Services 3.2%		
Broadview Networks Holdings, Inc., 11.38%, 9/01/12	USD 1,035	\$ 928,913
GCI, Inc., 6.75%, 6/01/21	288	291,600
ITC Deltacom, Inc., 10.50%, 4/01/16	280	291,900
Level 3 Financing, Inc. (c):		
8.13%, 7/01/19	2,445	2,561,137
8.63%, 7/15/20	1,060	1,131,550
Qwest Communications International, Inc.:		
7.50%, 2/15/14	1,300	1,304,550
8.00%, 10/01/15	720	772,875
Qwest Corp., 7.63%, 6/15/15	525	597,234
Videotron Ltee, 5.00%, 7/15/22 (c)(k)	160	160,400
Windstream Corp.:		
8.13%, 8/01/13	460	493,350
7.88%, 11/01/17	393	443,108
		8,976,617
Electric Utilities 0.8%		
The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14	EUR 1,750	2,178,809
Electronic Equipment, Instruments & Components 0.2%		
Elster Finance BV, 6.25%, 4/15/18 (c)	114	154,008
Jabil Circuit, Inc., 8.25%, 3/15/18	USD 235	279,650
NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (c)	200	226,250
		659,908
Energy Equipment & Services 3.1%		
Antero Resources Finance Corp., 7.25%, 8/01/19 (c)	165	174,075
Atwood Oceanics, Inc., 6.50%, 2/01/20	140	147,350
Calfrac Holdings LP, 7.50%, 12/01/20 (c)	395	395,000
Compagnie Générale de Géophysique Veritas, 7.75%, 5/15/17	250	260,313
Forbes Energy Services Ltd., 9.00%, 6/15/19	365	359,525
Frac Tech Services LLC, 7.63%, 11/15/18 (c)	1,755	1,873,462
Key Energy Services, Inc., 6.75%, 3/01/21	450	471,375
MEG Energy Corp., 6.50%, 3/15/21 (c)	980	1,048,600
Oil States International, Inc., 6.50%, 6/01/19	320	344,000
Peabody Energy Corp., 6.25%, 11/15/21 (c)	2,630	2,754,925
Transocean, Inc., 6.38%, 12/15/21	755	891,013
		8,719,638
Food Products 0.2%		
Darling International, Inc., 8.50%, 12/15/18	240	270,000
Post Holdings, Inc., 7.38%, 2/15/22 (c)	225	239,625
		509,625
Health Care Equipment & Supplies 2.2%		
Biomet, Inc.:		
10.00%, 10/15/17	195	211,819
10.38%, 10/15/17 (h)(l)	1,450	1,578,687
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC):		
10.88%, 11/15/14	2,320	2,360,600

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7.75%, 4/15/18	100	86,000
Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (c)	208	230,360
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (c)	650	685,750
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)	540	623,700
Teleflex, Inc., 6.88%, 6/01/19	295	317,863
		6,094,779

Corporate Bonds	Par (000)	Value
Health Care Providers & Services 5.4%		
Aviv Healthcare Properties LP, 7.75%, 2/15/19	USD 415	\$ 424,337
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)	EUR 494	682,837
Crown Newco 3 Plc, 7.00%, 2/15/18 (c)	GBP 364	571,125
HCA, Inc.:		
8.50%, 4/15/19	USD 135	151,200
6.50%, 2/15/20	1,995	2,139,637
7.88%, 2/15/20	95	104,738
7.25%, 9/15/20	2,600	2,834,000
5.88%, 3/15/22	275	281,875
Health Management Associates, Inc., 7.38%, 1/15/20 (c)	940	979,950
IASIS Healthcare LLC, 8.38%, 5/15/19 (c)	755	721,025
INC Research LLC, 11.50%, 7/15/19 (c)	410	393,600
inVentiv Health, Inc. (FKA Ventive Health, Inc.)		
10.00%, 8/15/18 (c)	135	122,850
Omnicare, Inc., 7.75%, 6/01/20	1,005	1,119,319
PSS World Medical, Inc., 6.38%, 3/01/22 (c)	285	296,400
Symbion, Inc., 8.00%, 6/15/16 (c)	345	332,925
Tenet Healthcare Corp.:		
10.00%, 5/01/18	779	907,535
6.25%, 11/01/18 (c)	330	351,863
8.88%, 7/01/19	2,279	2,598,060
		15,013,276
Health Care Technology 1.0%		
IMS Health, Inc., 12.50%, 3/01/18 (c)	2,405	2,861,950
Hotels, Restaurants & Leisure 2.6%		
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	275	301,125
10.00%, 12/15/18	1,460	1,127,850
Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (c)	715	729,300
Diamond Resorts Corp., 12.00%, 8/15/18	1,190	1,255,450
El Dorado Resorts LLC, 8.63%, 6/15/19 (c)	140	133,350
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 324	417,516
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (c)	USD 300	264,000
MGM Resorts International:		
13.00%, 11/15/13	50	58,375
10.38%, 5/15/14	255	290,062
4.25%, 4/15/15 (e)	540	579,150
11.13%, 11/15/17	1,400	1,592,500
Travelport LLC (FKA Travelport, Inc.):		
5.15%, 9/01/14 (f)	180	92,250
9.88%, 9/01/14	40	22,900
9.00%, 3/01/16	120	63,600
6.58%, 12/01/16 (c)(l)	406	285,979
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(i)	305	
		7,213,407

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Household Durables 1.5%

Beazer Homes USA, Inc., 12.00%, 10/15/17		1,345	1,466,050
Jarden Corp., 7.50%, 1/15/20	EUR	305	410,415
Ryland Group, Inc., 6.63%, 5/01/20	USD	340	346,800
Standard Pacific Corp.:			
10.75%, 9/15/16		1,390	1,596,762
8.38%, 1/15/21		290	308,125
			4,128,152

Household Products 0.5%

Ontex IV SA, 7.50%, 4/15/18 (c)	EUR	150	183,857
Spectrum Brands Holdings, Inc.:			
9.50%, 6/15/18	USD	360	410,400
9.50%, 6/15/18 (c)		590	672,600
			1,266,857

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Independent Power Producers & Energy Traders 3.0%		
AES Corp., 7.38%, 7/01/21	USD 655	\$ 746,700
Calpine Corp. (c):		
7.25%, 10/15/17	180	190,800
7.50%, 2/15/21	100	108,500
7.88%, 1/15/23	285	310,650
Energy Future Holdings Corp., 10.00%, 1/15/20	3,180	3,438,375
Energy Future Intermediate Holding Co. LLC:		
10.00%, 12/01/20	964	1,047,145
11.75%, 3/01/22 (c)	1,420	1,455,500
Laredo Petroleum, Inc., 9.50%, 2/15/19	510	562,275
QEP Resources, Inc., 5.38%, 10/01/22	333	336,330
		8,196,275
Industrial Conglomerates 2.4%		
Sequa Corp. (c):		
11.75%, 12/01/15	2,340	2,486,250
13.50%, 12/01/15	3,954	4,220,907
		6,707,157
Insurance 1.0%		
Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)	1,700	1,787,125
CNO Financial Group, Inc., 9.00%, 1/15/18 (c)	367	394,984
Genworth Financial, Inc., 7.63%, 9/24/21	430	446,135
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)	260	232,050
		2,860,294
IT Services 1.7%		
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)	570	589,950
First Data Corp.:		
7.38%, 6/15/19 (c)	205	207,306
8.88%, 8/15/20 (c)	535	579,138
8.25%, 1/15/21 (c)	660	638,550
12.63%, 1/15/21	1,519	1,594,950
SunGard Data Systems, Inc.:		
7.38%, 11/15/18	440	473,000
7.63%, 11/15/20	600	648,000
		4,730,894
Machinery 0.8%		
Navistar International Corp.:		
3.00%, 10/15/14 (e)	333	375,041
8.25%, 11/01/21	126	137,813
SPX Corp., 6.88%, 9/01/17	175	194,250
UR Financing Escrow Corp. (c)(k):		
5.75%, 7/15/18	257	264,068
7.38%, 5/15/20	350	359,187
7.63%, 4/15/22	937	969,795
		2,300,154
Media 14.1%		
Affinion Group, Inc., 7.88%, 12/15/18	815	729,425
AMC Networks, Inc., 7.75%, 7/15/21 (c)	225	250,875
CCH II LLC, 13.50%, 11/30/16	3,253	3,740,604
CCO Holdings LLC:		

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7.88%, 4/30/18	110	120,175
7.38%, 6/01/20	270	297,000
6.50%, 4/30/21	488	518,500
Checkout Holding Corp., 10.68%, 11/15/15 (c)(h)	670	301,500
Cinemark USA, Inc., 8.63%, 6/15/19	220	244,750
Clear Channel Communications, Inc., 9.00%, 3/01/21	555	510,600
Clear Channel Worldwide Holdings, Inc.: 9.25%, 12/15/17	1,495	1,637,025
7.63%, 3/15/20 (c)(k)	1,050	1,050,000
Series B, 9.25%, 12/15/17 (d)	5,700	6,270,000

Corporate Bonds	Par (000)	Value
Media (concluded)		
Cox Enterprises, Inc. (c):		
Loan Close 2, 12.00%, 8/15/18	USD 674	\$ 684,339
Loan Close 3, 12.00%, 8/15/18	771	782,397
Shares Loan, 12.00%, 8/15/18	795	806,924
CSC Holdings LLC, 8.50%, 4/15/14	390	432,900
DISH DBS Corp.:		
7.00%, 10/01/13	90	96,638
6.75%, 6/01/21	400	444,000
Gray Television, Inc., 10.50%, 6/29/15	935	987,594
Harland Clarke Holdings Corp.:		
6.00%, 5/15/15 (c)	350	238,875
9.50%, 5/15/15	315	248,062
Intelsat Luxembourg SA:		
11.25%, 6/15/16	1,520	1,607,400
11.25%, 2/04/17	360	371,250
11.50%, 2/04/17 (l)	1,330	1,369,900
Interactive Data Corp., 10.25%, 8/01/18	1,345	1,516,487
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	340	389,300
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (c)	EUR 673	959,402
Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (c)	345	484,965
Lamar Media Corp., 5.88%, 2/01/22 (c)	USD 200	208,750
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)	735	781,856
Musketeer GmbH, 9.50%, 3/15/21 (c)	EUR 320	460,443
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (c)	USD 620	682,000
Nielsen Finance LLC:		
11.63%, 2/01/14	117	136,012
7.75%, 10/15/18	2,145	2,386,312
Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)	GBP 207	325,200
ProQuest LLC, 9.00%, 10/15/18 (c)	USD 500	442,500
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(e)(i)	850	425
Unitymedia GmbH:		
9.63%, 12/01/19	EUR 168	241,732
9.63%, 12/01/19 (c)	570	820,164
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH) (c):		
8.13%, 12/01/17	USD 655	710,675
8.13%, 12/01/17	EUR 441	631,610
UPC Holding BV, 9.88%, 4/15/18 (c)	USD 400	444,000
UPCB Finance II Ltd. (c):		
6.38%, 7/01/20	EUR 822	1,089,674
6.38%, 7/01/20	300	397,691

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Virgin Media Secured Finance Plc, 5.25%, 1/15/18 (k)	GBP	335	575,588
Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)	EUR	388	546,656
Ziggo Finance BV, 6.13%, 11/15/17 (c)		732	1,011,815
			38,983,990
Metals & Mining 3.1%			
Goldcorp, Inc., 2.00%, 8/01/14 (e)	USD	1,060	1,343,550
New World Resources NV, 7.88%, 5/01/18	EUR	655	885,746
Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e)	USD	1,475	2,035,500
Novelis, Inc., 8.75%, 12/15/20 (c)		3,315	3,696,225
Taseko Mines Ltd., 7.75%, 4/15/19		420	403,200
Vedanta Resources Plc, 8.25%, 6/07/21 (c)		270	249,075
			8,613,296
Multiline Retail 1.7%			
Dollar General Corp., 11.88%, 7/15/17 (f)		4,351	4,775,266

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

Corporate Bonds	Par (000)	Value
Oil, Gas & Consumable Fuels 10.7%		
Alpha Natural Resources, Inc., 6.25%, 6/01/21	USD 405	\$ 392,850
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)	455	468,650
Berry Petroleum Co., 8.25%, 11/01/16	510	531,675
Bill Barrett Corp., 9.88%, 7/15/16	25	27,625
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)	255	267,113
Carrizo Oil & Gas, Inc., 8.63%, 10/15/18	130	135,200
Chesapeake Midstream Partners LP, 6.13%, 7/15/22	275	284,625
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (c)	60	61,200
Coffeyville Resources LLC, 9.00%, 4/01/15 (c)	266	284,620
Concho Resources, Inc., 7.00%, 1/15/21	410	461,250
Consol Energy, Inc., 8.25%, 4/01/20	1,965	2,141,850
Continental Resources, Inc., 7.13%, 4/01/21	370	410,700
Copano Energy LLC, 7.13%, 4/01/21	335	355,100
Crosstex Energy LP, 8.88%, 2/15/18	180	195,300
Crown Oil Partners IV LP, 15.00%, 3/07/15	585	584,824
Denbury Resources, Inc.:		
8.25%, 2/15/20	672	766,080
6.38%, 8/15/21	350	385,875
Energy XXI Gulf Coast, Inc.:		
9.25%, 12/15/17	555	614,662
7.75%, 6/15/19	900	949,500
EV Energy Partners LP, 8.00%, 4/15/19	150	157,500
Hilcorp Energy I LP, 7.63%, 4/15/21 (c)	745	812,050
Holly Energy Partners LP, 6.50%, 3/01/20 (c)(k)	155	158,294
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)	325	347,750
Linn Energy LLC:		
6.50%, 5/15/19 (c)	95	96,900
6.25%, 11/01/19 (c)	1,820	1,817,725
8.63%, 4/15/20	225	249,750
7.75%, 2/01/21	200	215,000
MarkWest Energy Partners LP, 6.75%, 11/01/20	135	147,488
Newfield Exploration Co., 6.88%, 2/01/20	940	1,015,200
Niska Gas Storage US LLC, 8.88%, 3/15/18	565	542,400
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	330	349,800
6.50%, 11/01/21	290	298,700
OGX Petroleo e Gas Participações SA, 8.50%, 6/01/18 (c)	4,805	5,009,212
PBF Holding Co. LLC, 8.25%, 2/15/20 (c)	340	340,000
PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)	865	919,062
Petrohawk Energy Corp.:		
10.50%, 8/01/14	370	411,162
7.88%, 6/01/15	460	485,875
7.25%, 8/15/18	320	366,000
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)	575	603,750
Pioneer Natural Resources Co.:		
6.88%, 5/01/18	460	540,349
7.50%, 1/15/20	145	179,187

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Plains Exploration & Production Co.:		
6.63%, 5/01/21	800	864,000
6.75%, 2/01/22	510	558,450
Precision Drilling Corp., 6.50%, 12/15/21 (c)	295	314,913
Range Resources Corp.:		
8.00%, 5/15/19	345	384,675
5.75%, 6/01/21	985	1,053,950
5.00%, 8/15/22 (k)	435	439,350
Ruby Pipeline LLC, 6.00%, 4/01/22 (c)	390	389,218
Samson Investment Co., 9.75%, 2/15/20 (c)	650	684,125
SandRidge Energy, Inc., 7.50%, 3/15/21	450	454,500
SM Energy Co., 6.63%, 2/15/19	130	139,425
		29,664,459

	Par (000)	Value
Corporate Bonds		
Paper & Forest Products 2.5%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(l)	USD 1,221	\$ 891,563
Boise Paper Holdings LLC:		
9.00%, 11/01/17	435	478,500
8.00%, 4/01/20	165	181,088
Clearwater Paper Corp.:		
10.63%, 6/15/16	390	443,137
7.13%, 11/01/18	585	623,025
Georgia-Pacific LLC, 8.25%, 5/01/16 (c)	1,600	1,772,523
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (c)	345	354,488
NewPage Corp., 11.38%, 12/31/14 (a)(i)	2,070	1,247,175
Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)	140	131,250
Verso Paper Holdings LLC, 11.50%, 7/01/14	756	771,120
		6,893,869
Pharmaceuticals 0.6%		
Capsugel Finance Co. SCA:		
9.88%, 8/01/19	EUR 100	143,222
9.88%, 8/01/19 (c)	200	286,445
Jaguar Holding Co. II, 9.50%, 12/01/19 (c)	USD 420	459,375
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (c)	855	872,100
		1,761,142
Professional Services 0.4%		
FTI Consulting, Inc., 6.75%, 10/01/20	920	994,750
Real Estate Investment Trusts (REITs) 0.7%		
Felcor Lodging LP, 6.75%, 6/01/19	1,405	1,436,612
The Rouse Co. LP, 6.75%, 11/09/15	520	544,050
		1,980,662
Real Estate Management & Development 2.4%		
CBRE Services, Inc., 6.63%, 10/15/20	335	355,938
Forest City Enterprises, Inc., 7.63%, 6/01/15	1,425	1,403,625
IVG Immobilien AG, 8.00% (m)	EUR 100	89,597
Realogy Corp.:		
11.50%, 4/15/17	USD 400	366,000
12.00%, 4/15/17	100	92,000
7.88%, 2/15/19 (c)	2,380	2,308,600
7.63%, 1/15/20 (c)	505	521,412
9.00%, 1/15/20 (c)	365	366,825
Shea Homes LP, 8.63%, 5/15/19 (c)	1,250	1,262,500
		6,766,497
Road & Rail 1.6%		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	130	135,525
Florida East Coast Railway Corp., 8.13%, 2/01/17	410	414,100
Hertz Holdings Netherlands BV:		

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8.50%, 7/31/15	EUR	188	270,510
8.50%, 7/31/15 (c)		1,325	1,906,521
The Hertz Corp.:			
7.50%, 10/15/18	USD	645	695,794
6.75%, 4/15/19 (c)		110	115,225
6.75%, 4/15/19 (c)(k)		290	303,775
7.38%, 1/15/21 (c)		495	535,837
			4,377,287
Semiconductors & Semiconductor			
Equipment 0.2%			
Spansion LLC, 7.88%, 11/15/17 (c)		580	569,850
Software 0.2%			
Sophia LP, 9.75%, 1/15/19 (c)		442	475,150
Specialty Retail 2.5%			
Asbury Automotive Group, Inc., 8.38%, 11/15/20		365	391,462
Hillman Group, Inc., 10.88%, 6/01/18		530	555,175
House of Fraser Funding Plc:			
8.88%, 8/15/18 (c)	GBP	285	405,799
8.88%, 8/15/18		221	314,672

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Specialty Retail (concluded)		
Limited Brands, Inc.:		
8.50%, 6/15/19	USD 785	\$ 938,075
5.63%, 2/15/22	160	164,800
Phones4u Finance Plc, 9.50%, 4/01/18 (c)	GBP 400	558,406
QVC, Inc. (c):		
7.13%, 4/15/17	USD 230	247,250
7.50%, 10/01/19	625	693,750
7.38%, 10/15/20	290	321,175
Sally Holdings LLC, 6.88%, 11/15/19 (c)	545	585,875
Sonic Automotive, Inc., 9.00%, 3/15/18	370	402,375
Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)	150	154,125
United Auto Group, Inc., 7.75%, 12/15/16	1,025	1,068,573
		6,801,512
Transportation Infrastructure 0.2%		
Aguila 3 SA, 7.88%, 1/31/18 (c)	431	453,089
Wireless Telecommunication Services 5.0%		
Cricket Communications, Inc., 7.75%, 5/15/16	110	117,150
Digicel Group Ltd. (c):		
8.88%, 1/15/15	700	712,250
9.13%, 1/15/15	1,783	1,818,660
8.25%, 9/01/17	1,180	1,250,800
10.50%, 4/15/18	500	545,000
iPCS, Inc., 2.67%, 5/01/13 (f)	995	957,687
Matterhorn Mobile Holdings SA, 8.25%, 2/15/20	EUR 305	418,542
MetroPCS Wireless, Inc., 6.63%, 11/15/20	USD 1,070	1,102,100
NII Capital Corp., 7.63%, 4/01/21	661	675,873
Sprint Capital Corp., 6.88%, 11/15/28	2,390	1,864,200
Sprint Nextel Corp. (c):		
9.00%, 11/15/18	2,200	2,453,000
7.00%, 3/01/20	2,020	2,052,825
		13,968,087
Total Corporate Bonds 101.5%		281,429,947
Floating Rate Loan Interests (f)		
Airlines 0.2%		
Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17	533	520,212
Auto Components 0.2%		
Schaeffler AG, Term Loan C2, 1/27/17	495	496,445
Building Products 0.1%		
Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17	398	403,944
Capital Markets 0.4%		
Nuveen Investments, Inc.:		
7.25%, 5/13/17	655	659,585
7.25%, 3/14/19	415	418,631
		1,078,216
Chemicals 0.3%		

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PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B (First Lien), 3.50%, 7/30/14	290	282,640
Styron Sarl LLC, Term Loan B, 6.00% 6.75%, 8/02/17	490	441,405
		724,045
Commercial Services & Supplies 0.7%		
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	487	485,114
Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16	550	550,588
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	988	991,618
		2,027,320
	Par (000)	Value
Floating Rate Loan Interests (f)		
Communications Equipment 0.1%		
Avaya, Inc., Term Loan B1, 3.24%, 10/24/14	USD 200	\$ 195,694
Construction & Engineering 0.7%		
Safway Services LLC, Mezzanine Loan, 15.63%, 12/16/17	2,000	2,000,000
Consumer Finance 1.7%		
Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	5,085	4,635,537
Diversified Consumer Services 0.0%		
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.75%, 7/24/14	9	8,456
Term Loan, 2.77% 3.03%, 7/24/14	86	84,912
		93,368
Diversified Telecommunication Services 0.5%		
Level 3 Financing, Inc.:		
Incremental Tranche A Term Loan, 2.50% 2.83%, 3/13/14	500	491,750
Term Loan B, 5.75%, 8/31/18	850	855,848
		1,347,598
Electronic Equipment, Instruments & Components 0.1%		
CDW LLC (FKA CDW Corp.):		
Extended Term Loan, 4.00%, 7/14/17	280	273,649
Non-Extended Term Loan, 3.75%, 10/10/14	106	105,593
		379,242
Energy Equipment & Services 2.2%		
CCS Corp., Incremental Term Loan, 6.50%, 10/17/14	275	275,275
Dynegy Holdings, Inc.:		
Coal Co. Term Loan, 9.25%, 8/04/16	1,991	1,980,151
Gas Co. Term Loan, 9.25%, 8/04/16	3,645	3,759,335
		6,014,761
Food & Staples Retailing 0.1%		
U.S. Foodservice, Inc., Term Loan B, 2.74%, 7/03/14	170	164,050
Food Products 0.3%		
Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17	900	900,747
Health Care Equipment & Supplies 0.3%		
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	765	764,526
Health Care Providers & Services 0.7%		
Harden Healthcare LLC:		
Term Loan A, 8.50%, 3/02/15	410	401,656
Tranche A Additional Term Loan, 7.75%, 3/02/15	432	423,665
Health Management Associates, Inc., Term Loan B, 4.50%, 11/16/18	395	392,433

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inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16	795	764,413
		1,982,167
Hotels, Restaurants & Leisure 1.3%		
Caesars Entertainment Operating Co., Inc.:		
Incremental Term Loan B4, 9.50%, 10/31/16	485	498,890
Term Loan B1, 3.24%, 1/28/15	811	759,910
Term Loan B2, 3.24%, 1/28/15	970	909,105
Term Loan B3, 3.24% 3.47%, 1/28/15	309	289,658
OSI Restaurant Partners LLC:		
Revolver, 2.56% 2.79%, 6/14/13	9	9,194
Term Loan B, 2.56%, 6/14/14	96	93,266
Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16	1,050	946,753
Travelport LLC (FKA Travelport, Inc.):		
Extended Tranche A Term Loan, 6.54%, 9/28/12	187	88,690
Extended Tranche B Term Loan, 14.04%, 12/01/16	580	130,528
		3,725,994

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (f)		
Independent Power Producers & Energy Traders 0.1%		
Texas Competitive Electric Holdings Co. LLC (TXU), Extended Term Loan, 4.76%, 10/10/17	USD 749	\$ 417,813
Industrial Conglomerates 0.2%		
Sequa Corp., Incremental Term Loan, 6.25%, 12/03/14	440	441,465
IT Services 0.3%		
First Data Corp., Extended Term Loan B, 4.24%, 3/23/18	785	704,412
Leisure Equipment & Products 0.2%		
Eastman Kodak Co., Term Loan B, 7/20/13	585	592,131
Media 5.1%		
Cengage Learning Acquisitions, Inc.: Term Loan, 7/03/14	325	301,600
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,689	1,633,866
Cequel Communications LLC, Term Loan B, 2/11/19	600	593,862
Clear Channel Communications: Term Loan B, 3.89%, 1/28/16	2,150	1,764,491
Term Loan C, 3.89%, 1/28/16	391	309,542
HMH Publishing Co. Ltd., Term Loan, 6.51%, 6/12/14	927	572,930
Intelsat Jackson Holdings SA (FKA Intel Jackson Holding Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	7,245	7,232,933
Interactive Data Corp., New Term Loan B, 4.50%, 2/12/18	50	49,887
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,325	1,363,094
Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17	335	311,098
		14,133,303
Oil, Gas & Consumable Fuels 0.6%		
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	1,653	1,660,918
Paper & Forest Products 0.5%		
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	600	604,500
Verso Paper Finance Holdings LLC, Term Loan with PIK option, 6.79% 7.54%, 2/01/13	1,483	741,410
		1,345,910
Pharmaceuticals 0.5%		
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	990	981,585
Pharmaceutical Products Development, Inc., Term Loan B, 6.25%, 12/05/18	395	398,456
		1,380,041
Real Estate Investment Trusts (REITs) 0.6%		
iStar Financial, Inc., Term Loan A1, 5.00%, 6/28/13	1,677	1,669,739
Real Estate Management & Development 0.3%		
Realogy Corp.:	112	103,950

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Extended Synthetic Letter of Credit Loan, 4.53%, 10/10/16		
Extended Term Loan, 4.77%, 10/10/16	737	683,382
		787,332

Semiconductors & Semiconductor

Equipment 0.0%

NXP B.V., Term Loan A-2, 5.50%, 3/03/17	70	69,475
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Software 0.2%

Infor Enterprise Solutions Holdings, Inc.:

Extended Delayed Draw Term Loan, 7/28/15	158	154,276
Extended Initial Term Loan, 7/28/15	297	290,487
		444,763

	Par (000)	Value
Floating Rate Loan Interests (f)		
Specialty Retail 0.2%		
Claire's Stores, Inc., Term Loan B, 2.99% 3.30%, 5/29/14	USD 522	\$ 494,915
Wireless Telecommunication Services 1.2%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19	160	159,272
Vodafone Americas Finance 2, Inc. (1):		
Term Loan, 6.88%, 8/11/15	1,938	1,938,173
Term Loan B, 6.25%, 7/11/16	1,341	1,337,274
		3,434,719
Total Floating Rate Loan Interests 19.9%		55,030,802

	Beneficial Interest (000)	
Other Interests (n)		
Auto Components 0.0%		
Lear Corp. Escrow (a)	460	4,600
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate	2,830	28
Hotels, Restaurants & Leisure 0.0%		
Buffets, Inc. (a)	575	6
Media 0.0%		
Adelphia Escrow (a)	750	8
Adelphia Recovery Trust (a)	941	94
		102
Total Other Interests 0.0%		4,736

Preferred Securities

Capital Trusts 0.2%

Insurance 0.2%

Genworth Financial, Inc., 6.15%, 11/15/66 (f)	865	593,606
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Preferred Stocks

Auto Components 0.9%

Dana Holding Corp., 4.00% (a)(c)	17,830	2,400,364
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Diversified Financial Services 1.1%

Ally Financial, Inc., 7.00% (c)(f)	3,424	2,970,962
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Media 0.1%

TRA Global, Inc. (a)	286,652	352,582
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Real Estate Investment Trusts (REITs) 0.0%

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MPG Office Trust, Inc., Series A, 7.63% (a)	8,994	127,715
Thrifts & Mortgage Finance 0.1%		
Fannie Mae, Series O, 7.00% (a)	30,000	55,500
Freddie Mac, Series Z, 8.00% (a)	75,961	112,422
		167,922
Total Preferred Stocks 2.2%		6,019,545

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

Trust Preferred	Shares	Value
Diversified Financial Services 0.8%		
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c)	73,410	\$ 1,717,990
RBS Capital Funding Trust VII, 6.08%, 12/31/49	45,000	615,150
		2,333,140
Total Preferred Securities 3.2%		8,946,291

Warrants (o)	Shares	Value
Containers & Packaging 0.0%		
MDP Acquisitions Plc (Expires 10/10/13) (c)	700	37,325
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	
Media 0.1%		
Cumulus Media, Inc. (Expires 3/26/19)	42,640	307,980
New Vision Holdings LLC (Expires 9/30/14)	22,447	1
		307,981
Software 0.0%		
Bankruptcy Management Solutions, Inc. (Expires 9/29/17)	334	
HMH Holdings/EduMedia (Expires 3/09/17)	11,225	
Total Warrants 0.1%		345,306
Total Long-Term Investments		
(Cost \$360,359,973) 132.7%		367,905,933

Options Purchased	Contracts	Value
Exchange-Traded Put Options 0.1%		
SPDR S&P 500 ETF Trust:		
Strike Price USD 134.00, Expires 3/17/12	1,140	107,160
Strike Price USD 136.00, Expires 3/17/12	200	31,600
Strike Price USD 136.00, Expires 4/21/12	200	63,800
		202,560
Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Bank USA	19	
Total Options Purchased		
(Cost \$458,662) 0.1%		202,560
Total Investments Before Options Written		
(Cost \$360,818,635) 132.8%		368,108,493

Options Written	Contracts	Value
Exchange-Traded Put Options (0.0)%		
SPDR S&P 500 ETF Trust, Strike Price USD 125.00, Expires 3/17/12	1,140	(16,530)
		(16,530)

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Total Options Written		
(Premiums Received \$81,580) (0.0)%		
Total Investments, Net of Options Written 132.8%		368,091,963
Liabilities in Excess of Other Assets (32.8)%		(90,905,341)
Net Assets 100.0%		\$ 277,186,622

- (a) Non-income producing security.
- (b) Restricted security as to resale. As of report date the Fund held 2.7% of its net assets, with a current value of \$7,570,792 and an original cost of \$2,417,941 in this security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) All or a portion of security has been pledged as collateral in connection with swaps.
- (e) Convertible security.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Goldman Sachs & Co.	\$ 1,050,000	
Citigroup Global Markets, Inc.	\$ 158,294	\$ 3,294
Bank of America	\$ 1,175,338	\$ 14,269
Barclays Capital Inc.	\$ 303,775	\$ 2,175
Morgan Stanley Co.	\$ 1,593,050	\$ 49,051

- (l) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (m) Security is perpetual in nature and has no stated maturity date.
- (n) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (o) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

Affiliate	Shares Held at February 28, 2011	Net Activity	Shares Held at February 29, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	1,845,167	(1,845,167)		\$ 1,101

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Financial futures contracts sold as of February 29, 2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
120	S&P 500 Index E-Mini	Chicago Mercantile	March 2012	\$ 8,186,400	\$ (258,828)

Foreign currency exchange contracts as of February 29, 2012 were as follows:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
GBP	150,000	USD	235,239	Royal Bank of Scotland Plc	4/11/12	\$ 3,328
USD	998,644	CAD	1,025,000	Citibank NA	4/11/12	(36,363)
USD	1,754,743	CAD	1,792,000	Royal Bank of Scotland Plc	4/11/12	(54,751)
USD	413,203	GBP	260,000	Citibank NA	4/11/12	(314)
USD	161,611	GBP	103,000	Royal Bank of Scotland Plc	4/11/12	(2,205)

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

Foreign currency exchange contracts as of February 29, 2012 were as follows (concluded):

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	3,482,797	GBP	2,272,000	UBS AG	4/11/12	\$ (130,701)
EUR	340,000	USD	457,753	Deutsche Bank AG	4/18/12	(4,682)
USD	17,846,201	EUR	13,893,500	Citibank NA	4/18/12	(667,732)
USD	218,178	EUR	166,000	Citibank NA	4/18/12	(3,028)
USD	384,655	EUR	290,000	Citibank NA	4/18/12	(1,788)
USD	129,685	EUR	98,000	Citibank NA	4/18/12	(906)
USD	72,929	EUR	55,000	Deutsche Bank AG	4/18/12	(362)
USD	1,068,183	EUR	820,000	Royal Bank of Scotland Plc	4/18/12	(24,517)
USD	103,252	EUR	79,000	Royal Bank of Scotland Plc	4/18/12	(2,020)
USD	435,068	EUR	328,000	Royal Bank of Scotland Plc	4/18/12	(2,012)
USD	338,181	EUR	256,000	UBS AG	4/18/12	(2,955)
Total						\$ (931,008)

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 105	\$ (5,844)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 85	(5,535)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 170	(8,880)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 90	(2,552)
MGM Resorts International	5.00%	Deutsche Bank AGI	6/20/15	\$ 90	(3,218)
Republic of Hungary	1.00%	Deutsche Bank AG	12/20/15	\$ 300	15,974
Realogy Corp.	5.00%	Goldman Sachs International	9/20/16	\$ 150	(17,332)
iStar Financial, Inc.	5.00%	Deutsche Bank AG	12/20/16	\$ 225	(23,083)
Israel (State of)	1.00%	Deutsche Bank AG	3/20/17	\$ 225	(2,339)
Israel Government Bond	1.00%	Deutsche Bank AG	3/20/17	\$ 675	(7,485)
Total					\$ (60,294)

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

Issuer Counterparty

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	Receive Fixed Rate		Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Air Lease Corporation	5.00%	Goldman Sachs International	2/14/13	NR	\$ 500	\$ 690
CIT Group, Inc.	5.00%	Deutsche Bank AG	9/20/15	BB	\$ 3,400	227,066
Aramark Corp.	5.00%	Goldman Sachs International	3/20/16	B	\$ 500	26,496

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows (concluded):

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$ 300	\$ 14,272
Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$ 300	16,159
Aramark Corp.	5.00%	Credit Suisse Securities (USA) LLC	9/20/16	B	\$ 125	10,126
Aramark Corp.	5.00%	Goldman Sachs International	9/20/16	B	\$ 350	15,806
Aramark Corp.	5.00%	Goldman Sachs International	9/20/16	B	\$ 125	9,663
Bausch & Lomb Incorporated	5.00%	Credit Suisse Securities (USA) LLC	3/20/17	B	\$ 105	5,257
Aramark Corp.	5.00%	Deutsche Bank AG	3/20/17	B	\$ 200	4,307
Crown Castle International Corp.	7.25%	Deutsche Bank AG	3/20/17	B	\$ 470	10,194
Ford Motor Company	5.00%	Deutsche Bank AG	3/20/17	BB+	\$ 1,500	90,306
CCO Holding LLC	8.00%	Deutsche Bank AG	9/20/17	BB	\$ 1,600	(89)
Total						\$ 430,253

¹ Using S&P's rating.

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

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets 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)

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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 and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (concluded)

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

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks	\$ 9,825,707	\$ 8,000,927	\$ 4,322,217	\$ 22,148,851
Corporate Bonds		276,971,213	4,458,734	281,429,947
Floating Rate Loan interests		45,735,558	9,295,244	55,030,802
Other Interests	94		4,642	4,736
Preferred Stocks	2,628,777	5,964,932	352,582	8,946,291
Warrants		345,305	1	345,306
Total	\$ 12,454,578	\$ 337,017,935	\$ 18,433,420	\$ 367,905,933

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments¹				
Assets:				
Equity contracts	\$ 202,560			\$ 202,560
Credit contracts		\$ 208,366	\$ 237,950	446,316
Foreign currency exchange contracts		3,328		3,328
Liabilities:				
Equity contracts	(275,358)			(275,358)
Credit contracts		(76,268)	(89)	(76,357)
Foreign currency exchange contracts		(934,336)		(934,336)
Total	\$ (72,798)	\$ (798,910)	\$ 237,861	\$ (633,847)

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

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

	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Preferred Stocks	Warrants	Unfunded Loan Commitments (Liabilities)	Total
Assets/Liabilities:								
Balance, as of February 28, 2011	\$ 719,326	\$ 5,493,390	\$ 10,323,930	\$ 12,664	\$ 463,230	\$ 234	\$ (25,965)	\$ 16,986,809
Accrued discounts/premiums		7,336	126,960					134,296
Net realized gain (loss)	5,352	(2,167,542)	43,209					(2,118,981)
Net change in unrealized appreciation/depreciation ²	(2,700,184)	2,811,381	171,382	(8,022)	(110,648)	(233)	25,965	189,641

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Purchases	6,560,740	678,913	1,832,811				9,072,464
Sales	(264,771)	(2,364,744)	(3,175,711)				(5,805,226)
Transfers in ⁶	1,754		895,163				896,917
Transfers out ⁶			(922,500)				(922,500)
Balance, as of February 29, 2012	\$ 4,322,217	\$ 4,458,734	\$ 9,295,244	\$ 4,642	\$ 352,582	\$ 1	\$ 18,433,420

² Included in the related change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on securities still held on February 29, 2012 was \$(3,848,775).

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

Assets/Liabilities:	Credit Contracts
Balance, as of February 28, 2011	
Accrued discounts/premiums	\$ (31,474)
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation ³	237,861
Issuances ⁴	291,778
Purchases	
Sales	
Settlements ⁵	(260,304)
Transfers in ⁶	
Transfers out ⁶	
Balance, as of February 29, 2012	\$ 237,861

³ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/ depreciation on derivative financial instruments still held at February 29, 2012 was \$237,861.

⁴ Issuances represent upfront cash received on certain derivative financial instruments.

⁵ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

⁶ The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the year in relation to net assets.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments February 29, 2012

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

	Par (000)	Value
Asset-Backed Securities		
ARES CLO Funds, Series 2005-10A, Class B, 0.95%, 9/18/17 (a)(b)	USD 1,250	\$ 1,156,726
Ballyrock CDO Ltd., Series 2006-1A, Class B, 0.84%, 8/28/19 (a)(b)	1,000	837,500
Canaras Summit CLO Ltd., Series 2007-1A, Class B, 1.04%, 6/19/21 (a)(b)	1,225	1,041,605
CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16	625	628,938
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.92%, 10/27/20 (b)	940	759,050
Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.92%, 11/15/17 (b)	1,980	1,696,068
Portola CLO Ltd., Series 2007-1X, Class B1, 1.95%, 11/15/21 (b)	1,245	1,067,587
T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 1.17%, 7/15/19 (a)(b)	1,075	932,294
Total Asset-Backed Securities 1.8%		8,119,768

	Shares	
Common Stocks (c)		
Chemicals 0.0%		
GEO Specialty Chemicals, Inc.	339,340	156,097
Containers & Packaging 0.1%		
Smurfit Kappa Plc	36,342	368,968
Diversified Financial Services 1.0%		
Kcad Holdings I Ltd.	500,743,397	4,584,306
Preferred Term Securities VI Ltd. (a)	35,000	1,750
		4,586,056
Electrical Equipment 0.0%		
Medis Technologies Ltd.	286,757	1,434
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc.	2,753	275
HRP PIK Corp., Class B (a)	5,000	275
Metals & Mining 0.2%		
Euramax International	2,337	677,817
Paper & Forest Products 0.5%		
Ainsworth Lumber Co. Ltd. (a)	1,264,850	1,994,205
Western Forest Products, Inc. (a)	211,149	204,864
		2,199,069
Semiconductors & Semiconductor Equipment 0.0%		
SunPower Corp.	1,707	12,854
Software 0.0%		
Bankruptcy Management Solutions, Inc.	1,870	37
HMH Holdings/EduMedia	159,199	39,800
		39,837
Specialty Retail 0.0%		
Movie Gallery, Inc.	503,737	5
Total Common Stocks 1.8%		8,042,412

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		Par (000)	Value
Corporate Bonds			
Aerospace & Defense 1.0%			
Bombardier, Inc., 7.75%, 3/15/20 (a)	USD	1,750	\$ 2,030,000
Huntington Ingalls Industries, Inc., 7.13%, 3/15/21		810	867,712
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17		1,364	1,469,710
			4,367,422
Airlines 0.4%			
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23		630	667,800
Delta Air Lines, Inc., Series 2009-1-B, 9.75%, 6/17/18		183	193,588
United Air Lines, Inc., 12.75%, 7/15/12		786	813,162
			1,674,550
Auto Components 1.7%			
Baker Corp. International, Inc., 8.25%, 6/01/19 (a)		170	173,400
Delphi Corp., 6.13%, 5/15/21 (a)		560	600,600
Icahn Enterprises LP: 7.75%, 1/15/16		220	230,450
8.00%, 1/15/18		5,260	5,575,600
8.00%, 1/15/18 (a)		100	106,000
Titan International, Inc., 7.88%, 10/01/17		940	998,750
Venture Holdings Co. LLC (c)(d): 12.00%, 7/01/49		4,450	1
Series B, 9.50%, 7/01/05		1,800	
			7,684,801
Beverages 0.3%			
Crown European Holdings SA: 7.13%, 8/15/18 (a)	EUR	410	585,163
7.13%, 8/15/18		412	588,017
			1,173,180
Biotechnology 0.0%			
QHP Pharma, 10.25%, 3/15/15 (a)	USD	184	184,871
Building Products 0.4%			
Building Materials Corp. of America (a): 7.00%, 2/15/20		940	1,019,900
6.75%, 5/01/21		640	696,000
			1,715,900
Capital Markets 1.0%			
American Capital Ltd., 7.96%, 12/31/13 (e)		1,175	1,196,785
E*Trade Financial Corp.: 12.50%, 11/30/17		1,765	2,056,225
4.01%, 8/31/19 (a)(f)(g)		593	561,126
KKR Group Finance Co., 6.38%, 9/29/20 (a)		540	574,677
			4,388,813
Chemicals 3.7%			
American Pacific Corp., 9.00%, 2/01/15		1,490	1,452,750
Celanese US Holdings LLC, 5.88%, 6/15/21		570	621,300
GEO Specialty Chemicals, Inc. (a): 7.50%, 3/31/15 (g)(h)		4,171	4,963,237
10.00%, 3/31/15		4,106	4,105,600
Hexion U.S. Finance Corp., 9.00%, 11/15/20		670	656,600
Huntsman International LLC, 8.63%, 3/15/21		275	310,750
Ineos Finance Plc, 8.38%, 2/15/19 (a)		380	403,750
Kinove German Bondco GmbH, 9.63%, 6/15/18 (a)		800	818,000
Lyondell Chemical Co., 11.00%, 5/01/18		1,914	2,098,173
LyondellBasell Industries NV, 6.00%, 11/15/21 (a)		145	159,137
Solutia, Inc., 7.88%, 3/15/20		810	949,725
			16,539,022

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Commercial Banks 1.7%		
CIT Group, Inc.:		
7.00%, 5/01/16	USD 551	\$ 551,195
7.00%, 5/02/16 (a)	1,940	1,942,425
7.00%, 5/01/17	3,514	3,514,000
7.00%, 5/02/17 (a)	710	710,888
5.50%, 2/15/19 (a)	980	1,000,825
		7,719,333
Commercial Services & Supplies 1.3%		
ARAMARK Corp., 8.50%, 2/01/15	690	708,119
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)	799	835,097
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	55	52,250
The Geo Group, Inc., 7.75%, 10/15/17	850	915,875
Iron Mountain, Inc., 7.75%, 10/01/19	540	596,700
Mobile Mini, Inc., 7.88%, 12/01/20	640	672,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (a)	970	1,125,200
Verisure Holding AB:		
8.75%, 9/01/18	EUR 400	538,249
8.75%, 12/01/18	149	176,676
West Corp., 8.63%, 10/01/18	USD 315	345,713
		5,965,879
Communications Equipment 0.2%		
Avaya, Inc., 9.75%, 11/01/15	360	360,000
Hughes Satellite Systems Corp., 6.50%, 6/15/19	600	636,000
		996,000
Consumer Finance 0.1%		
Ford Motor Credit Co. LLC:		
7.00%, 4/15/15	280	310,800
6.63%, 8/15/17	148	167,708
		478,508
Containers & Packaging 2.0%		
Ardagh Packaging Finance Plc:		
7.38%, 10/15/17 (a)	EUR 385	541,147
7.38%, 10/15/17	100	140,558
Ball Corp.:		
6.75%, 9/15/20	USD 625	696,875
5.00%, 3/15/22 (i)	1,030	1,053,175
Berry Plastics Corp.:		
4.42%, 9/15/14 (b)	495	473,962
8.25%, 11/15/15	655	704,125
9.75%, 1/15/21	440	470,800
Beverage Packaging Holdings Luxembourg II SA,		
8.00%, 12/15/16	EUR 260	323,882
Graphic Packaging International, Inc., 9.50%,		
6/15/17	USD 360	400,500
Sealed Air Corp. (a):		
8.13%, 9/15/19	770	870,100
8.38%, 9/15/21	210	240,450
Smurfit Kappa Acquisitions:		
7.75%, 11/15/19 (a)	EUR 476	683,323
7.75%, 11/15/19	1,515	2,174,862

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			8,773,759
Diversified Financial Services	3.1%		
Ally Financial, Inc.:			
7.50%, 12/31/13	USD	90	95,850
8.30%, 2/12/15		1,330	1,469,650
7.50%, 9/15/20		1,990	2,191,487
8.00%, 11/01/31		2,100	2,344,125
8.00%, 11/01/31		1,030	1,117,607
		Par	Value
		(000)	
Corporate Bonds			
Diversified Financial Services (concluded)			
Archemedes Funding III Ltd., 5.50%, 11/29/12	USD	1,749	\$ 175
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		567	604,564
Reynolds Group Issuer, Inc.:			
8.75%, 10/15/16 (a)		548	583,620
8.75%, 10/15/16 (a)(j)	EUR	548	775,731
8.75%, 10/15/16		723	1,023,456
7.13%, 4/15/19 (a)	USD	1,070	1,131,525
9.88%, 8/15/19 (a)		1,280	1,323,200
6.88%, 2/15/21 (a)		920	975,200
WMG Acquisition Corp., 9.50%, 6/15/16 (a)		200	221,000
			13,857,190
Diversified Telecommunication Services	1.6%		
ITC Deltacom, Inc., 10.50%, 4/01/16		1,010	1,052,925
Level 3 Financing, Inc.:			
4.51%, 2/15/15 (b)		2,420	2,347,400
8.13%, 7/01/19 (a)		2,902	3,039,845
Qwest Communications International, Inc., Series B, 7.50%, 2/15/14		340	341,190
TW Telecom Holdings, Inc., 8.00%, 3/01/18		380	416,575
			7,197,935
Electric Utilities	0.2%		
IPALCO Enterprises, Inc., 7.25%, 4/01/16 (a)		775	860,250
Electronic Equipment, Instruments & Components	0.0%		
Muzak Holdings, LLC, 13.00%, 3/15/10 (c)(d)		2,675	
Energy Equipment & Services	1.7%		
Calfrac Holdings LP, 7.50%, 12/01/20 (a)		1,125	1,125,000
Frac Tech Services LLC, 7.63%, 11/15/18 (a)		1,190	1,270,325
Key Energy Services, Inc., 6.75%, 3/01/21		740	775,150
MEG Energy Corp., 6.50%, 3/15/21 (a)		950	1,016,500
Oil States International, Inc., 6.50%, 6/01/19		295	317,125
Peabody Energy Corp., 6.25%, 11/15/21 (a)		3,025	3,168,687
			7,672,787
Gas Utilities	0.1%		
Targa Resources Partners LP, 6.88%, 2/01/21		485	517,738
Health Care Equipment & Supplies	0.7%		
DJO Finance LLC:			
10.88%, 11/15/14		1,270	1,292,225
7.75%, 4/15/18		770	662,200
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (a)		640	675,200
Teleflex, Inc., 6.88%, 6/01/19		475	511,812
			3,141,437
Health Care Providers & Services	2.4%		
Aviv Healthcare Properties LP, 7.75%, 2/15/19		455	465,237
Crown Newco 3 Plc, 7.00%, 2/15/18 (a)	GBP	108	169,455
HCA, Inc.:			
6.50%, 2/15/20	USD	2,020	2,166,450

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7.88%, 2/15/20	1,210	1,334,025
5.88%, 3/15/22	2,380	2,439,500
Omnicare, Inc., 7.75%, 6/01/20	1,785	1,988,044
Tenet Healthcare Corp., 8.88%, 7/01/19	2,030	2,314,200
		10,876,911
Health Care Technology 0.9%		
IMS Health, Inc., 12.50%, 3/01/18 (a)	3,205	3,813,950

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Hotels, Restaurants & Leisure 1.7%		
Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (a)	USD 915	\$ 933,300
Diamond Resorts Corp., 12.00%, 8/15/18	1,040	1,097,200
HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(c)(d)	6,892	1
HRP Myrtle Beach Operations LLC (a)(c)(d):		
0.00%, 4/01/12	5,000	1
12.50%, 4/01/13	5,000	1
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)	609	535,920
MGM Resorts International, 11.13%, 11/15/17	3,440	3,912,999
Travelport LLC:		
5.15%, 9/01/14 (b)	1,770	907,125
9.88%, 9/01/14 (a)	390	223,275
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (c)(d)	530	
		7,609,822
Household Durables 0.6%		
Beazer Homes USA, Inc., 12.00%, 10/15/17	1,700	1,853,000
Standard Pacific Corp., 8.38%, 1/15/21	605	642,813
		2,495,813
Independent Power Producers & Energy Traders 3.1%		
AES Corp.:		
7.75%, 10/15/15	300	339,000
9.75%, 4/15/16	1,305	1,552,950
7.38%, 7/01/21 (a)	310	353,400
Calpine Corp. (a):		
7.25%, 10/15/17	1,770	1,876,200
7.50%, 2/15/21	365	396,025
Energy Future Holdings Corp., 10.00%, 1/15/20	2,990	3,232,937
Energy Future Intermediate Holding Co. LLC:		
10.00%, 12/01/20	3,200	3,476,000
11.75%, 3/01/22 (a)	1,060	1,086,500
Laredo Petroleum, Inc., 9.50%, 2/15/19	1,080	1,190,700
QEP Resources, Inc., 5.38%, 10/01/22	335	338,350
		13,842,062
Industrial Conglomerates 1.6%		
Sequa Corp. (a):		
11.75%, 12/01/15	2,850	3,028,125
13.50%, 12/01/15	4,023	4,294,387
		7,322,512
Insurance 0.7%		
CNO Financial Group, Inc., 9.00%, 1/15/18 (a)	1,649	1,774,736
Genworth Financial, Inc., 7.63%, 9/24/21	700	726,267
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)	415	370,388
		2,871,391
IT Services 0.4%		
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (a)	720	745,200
First Data Corp. (a):		

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7.38%, 6/15/19	190	192,138
8.25%, 1/15/21	70	67,725
12.63%, 1/15/21	814	854,700
		1,859,763
Machinery 0.5%		
Navistar International Corp., 8.25%, 11/01/21	278	304,063
UR Financing Escrow Corp. (a)(i):		
5.75%, 7/15/18	877	901,117
7.38%, 5/15/20	565	579,831
7.63%, 4/15/22	518	536,130
		2,321,141

Corporate Bonds	Par (000)	Value
Media 6.9%		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	USD 365 \$	406,975
CCH II LLC, 13.50%, 11/30/16	3,000	3,450,000
CCO Holdings LLC, 7.88%, 4/30/18	1,075	1,174,438
Checkout Holding Corp., 10.68%, 11/15/15 (a)(f)	1,090	490,500
Cinemark USA, Inc., 8.63%, 6/15/19	410	456,125
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	639	699,705
7.63%, 3/15/20 (a)(i)	1,405	1,405,000
Series B, 9.25%, 12/15/17	5,802	6,382,200
CSC Holdings LLC, 8.50%, 4/15/14	680	754,800
DISH DBS Corp.:		
7.00%, 10/01/13	3,000	3,221,250
6.75%, 6/01/21	370	410,700
Intelsat Luxembourg SA:		
11.25%, 6/15/16	310	327,825
11.50%, 2/04/17 (h)	190	195,700
Interactive Data Corp., 10.25%, 8/01/18	1,545	1,741,987
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a)	1,040	1,123,200
Lamar Media Corp., 5.88%, 2/01/22 (a)	480	501,000
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	1,020	1,122,000
Nielsen Finance LLC:		
11.63%, 2/01/14	1,239	1,440,337
7.75%, 10/15/18	1,235	1,373,938
ProQuest LLC, 9.00%, 10/15/18 (a)	415	367,275
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	2,730	2,962,050
Ziggo Finance BV, 6.13%, 11/15/17 (a)	EUR 598	826,592
		30,833,597
Metals & Mining 0.9%		
Novelis, Inc., 8.75%, 12/15/20	USD 3,625	4,041,875
RathGibson, Inc., 11.25%, 2/15/14 (c)(d)	4,440	
		4,041,875
Multiline Retail 0.4%		
Dollar General Corp., 11.88%, 7/15/17 (h)	1,775	1,948,080
Oil, Gas & Consumable Fuels 7.0%		
Arch Coal, Inc., 7.00%, 6/15/19 (a)	215	215,000
Chesapeake Midstream Partners LP, 6.13%, 7/15/22 (a)	785	812,475
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a)	25	25,500
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	436	466,520
Consol Energy, Inc.:		
8.25%, 4/01/20	1,750	1,907,500
6.38%, 3/01/21 (a)	440	443,300

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Crosstex Energy LP, 8.88%, 2/15/18	100	108,500
Denbury Resources, Inc.:		
8.25%, 2/15/20	670	763,800
6.38%, 8/15/21	570	628,425
El Paso Corp., 7.00%, 6/15/17	1,575	1,759,966
Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19	1,300	1,371,500
Forest Oil Corp., 8.50%, 2/15/14	195	211,575
Hilcorp Energy I LP, 7.63%, 4/15/21 (a)	2,100	2,289,000
Holly Energy Partners LP, 6.50%, 3/01/20 (a)(i)	150	153,188
Linn Energy LLC:		
6.25%, 11/01/19 (a)	1,960	1,957,550
8.63%, 4/15/20	360	399,600
7.75%, 2/01/21	930	999,750
Niska Gas Storage US LLC, 8.88%, 3/15/18	585	561,600
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	335	355,100
6.50%, 11/01/21	290	298,700

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Oil, Gas & Consumable Fuels (concluded)		
OGX Petroleo e Gas Participações SA, 8.50%, 6/01/18 (a)	USD 4,930	\$ 5,139,525
PetroBakken Energy Ltd., 8.63%, 2/01/20 (a)	655	695,937
Petrohawk Energy Corp.:		
10.50%, 8/01/14	590	655,637
7.88%, 6/01/15	795	839,719
7.25%, 8/15/18	525	600,469
Pioneer Natural Resources Co., 7.20%, 1/15/28	1,080	1,340,427
Plains Exploration & Production Co., 6.75%, 2/01/22	1,200	1,314,000
Precision Drilling Corp., 6.50%, 12/15/21 (a)	840	896,700
Range Resources Corp.:		
5.75%, 6/01/21	1,230	1,316,100
5.00%, 8/15/22 (i)	547	552,470
Ruby Pipeline LLC, 6.00%, 4/01/22 (a)	630	628,737
SandRidge Energy, Inc., 7.50%, 3/15/21	405	409,050
Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 (a)	1,760	880,000
		30,997,320
Paper & Forest Products 1.3%		
Clearwater Paper Corp., 10.63%, 6/15/16	640	727,200
Georgia-Pacific LLC, 8.25%, 5/01/16 (a)	1,950	2,160,263
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	280	287,700
NewPage Corp., 11.38%, 12/31/14 (c)(d)	2,280	1,373,700
Verso Paper Holdings LLC:		
11.50%, 7/01/14	510	520,200
Series B, 4.30%, 8/01/14 (b)	890	616,325
		5,685,388
Pharmaceuticals 0.4%		
Valeant Pharmaceuticals International (a):		
6.50%, 7/15/16	1,190	1,213,800
7.25%, 7/15/22	660	664,125
		1,877,925
Real Estate Investment Trusts (REITs) 0.4%		
Felcor Lodging LP, 6.75%, 6/01/19	1,825	1,866,063
Real Estate Management & Development 1.1%		
Realogy Corp.:		
11.50%, 4/15/17	275	251,625
12.00%, 4/15/17	160	147,200
7.88%, 2/15/19 (a)	2,030	1,969,100
7.63%, 1/15/20 (a)	1,190	1,228,675
9.00%, 1/15/20 (a)	340	341,700
Shea Homes LP, 8.63%, 5/15/19 (a)	830	838,300
		4,776,600
Road & Rail 1.2%		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	295	307,538
Florida East Coast Railway Corp., 8.13%, 2/01/17	370	373,700
The Hertz Corp.:		
7.50%, 10/15/18	1,750	1,887,812

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6.75%, 4/15/19		730		764,675
6.75%, 4/15/19 (a)(i)		285		298,538
7.38%, 1/15/21		1,535		1,661,637
				5,293,900
Specialty Retail 0.3%				
United Auto Group, Inc., 7.75%, 12/15/16		1,275		1,329,200
Textiles, Apparel & Luxury Goods 0.1%				
PVH Corp., 7.75%, 11/15/23		410		467,921
Transportation Infrastructure 0.1%				
Aguila 3 SA, 7.88%, 1/31/18 (a)		353		371,091
Corporate Bonds			Par (000)	Value
Wireless Telecommunication Services 3.5%				
Cricket Communications, Inc., 7.75%, 5/15/16	USD	3,050	\$	3,248,250
Digicel Group Ltd. (a):				
9.13%, 1/15/15		3,948		4,026,960
8.25%, 9/01/17		810		858,600
Sprint Capital Corp., 6.88%, 11/15/28		1,850		1,443,000
Sprint Nextel Corp. (a):				
9.00%, 11/15/18		4,410		4,917,150
7.00%, 3/01/20		1,110		1,128,037
				15,621,997
Total Corporate Bonds 56.7%				253,033,697
Floating Rate Loan Interests (b)				
Aerospace & Defense 0.5%				
TransDigm, Inc.:				
Add on Term Loan B2, 4.00%, 2/14/17		525		525,436
Term Loan (First Lien), 4.00%, 2/14/17		1,485		1,483,693
				2,009,129
Airlines 0.5%				
Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17		2,091		2,041,267
Auto Components 1.5%				
Allison Transmission, Inc., Term Loan B, 2.75%, 8/07/14		2,443		2,415,352
Autoparts Holdings Ltd.:				
First Lien Term Loan, 6.50%, 7/28/17		1,397		1,399,991
Second Lien Term Loan, 10.50%, 1/29/18		1,800		1,750,500
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17		945		947,759
				6,513,602
Biotechnology 0.5%				
Grifols SA, Term Loan B, 4.50%, 2/13/18		2,400		2,397,138
Building Products 1.4%				
CPG International, Inc., Term Loan B, 6.00%, 2/18/17		1,188		1,122,660
Goodman Global, Inc.:				
Initial Term Loan (First Lien), 5.75%, 10/28/16		3,025		3,039,911
Term Loan (Second Lien), 9.00%, 10/30/17		764		775,572
Momentive Performance Materials, Inc. (Nautilus), Extended Term Loan B2, 4.08%, 5/05/15	EUR	1,058		1,334,766
				6,272,909
Capital Markets 1.0%				
HarbourVest Partners, Term Loan (First Lien), 6.25%, 12/16/16	USD	1,677		1,677,706
Nuveen Investments, Inc.:				
Extended Term Loan, 5.75% 5.83%, 5/12/17		1,682		1,677,007
Incremental Term Loan, 7.25%, 5/13/17		555		558,885
Term Loan (First Lien), 3.30% 3.58%, 11/13/14		418		415,716

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			4,329,314
Chemicals	4.0%		
American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17		2,253	2,093,667
Ashland, Inc., Term Loan B, 3.75%, 8/23/18		1,296	1,301,031
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16		1,300	1,304,069
Gentek, Inc., Term Loan B, 5.00% 5.75%, 10/06/15		1,740	1,728,373
MDI Holdings LLC, Tranche C Term Loan, 2.76%, 4/11/14	EUR	642	832,891

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Chemicals (concluded)		
Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17	USD 1,613	\$ 1,587,943
PolyOne Corp., Term Loan, 5.00%, 12/20/17	660	660,990
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B (First Lien), 3.50%, 7/30/14	2,451	2,390,958
Styron Sarl, Term Loan B, 6.00% 6.75%, 8/02/17	1,796	1,619,330
Tronox Worldwide LLC:		
Delayed Draw Term Loan, 1.00%, 2/09/18	381	381,001
Term Loan B, 4.25%, 2/08/18	1,399	1,397,005
Univar, Inc., Term Loan B, 5.00%, 6/30/17	2,376	2,356,826
		17,654,084
Commercial Services & Supplies 2.3%		
Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15	2,789	2,785,029
ARAMARK Corp.:		
Letter of Credit 2 Facility, 3.55%, 7/26/16	56	55,824
Term Loan B, 3.83%, 7/26/16	780	772,662
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	860	857,207
Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16	975	976,043
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17	2,388	2,385,015
Synagro Technologies, Inc., Term Loan B, 2.25% 2.26%, 4/02/14	874	781,929
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	1,778	1,784,912
		10,398,621
Communications Equipment 0.8%		
Avaya, Inc.:		
Term Loan B1, 3.24%, 10/24/14	1,823	1,783,769
Term Loan B3, 4.99%, 10/26/17	330	320,024
CommScope, Inc., Term Loan B, 5.00%, 1/14/18	1,489	1,488,065
		3,591,858
Construction & Engineering 0.9%		
BakerCorp. International, Inc., Term Loan B, 5.00%, 6/01/18	1,195	1,193,018
Safeway Services, LLC, First Out Tranche Loan, 9.00%, 12/16/17	2,750	2,750,000
		3,943,018
Consumer Finance 0.6%		
Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	3,130	2,853,339
Containers & Packaging 0.5%		
Berry Plastics Holding Corp., Term Loan C, 2.25%, 4/03/15	338	328,436
Sealed Air Corp., Term Loan B, 4.75%, 10/03/18	1,724	1,740,401
		2,068,837
Diversified Consumer Services 2.8%		
	4,512	4,155,992

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Coinmach Service Corp., Term Loan, 3.41%, 11/20/14		
Laureate Education, Inc., Extended Term Loan, 5.25%, 8/15/18	5,095	4,863,555
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.75%, 7/24/14	319	314,713
Term Loan, 2.77% 3.03%, 7/24/14	3,199	3,160,247
		12,494,507

Diversified Financial Services 1.1%

Reynolds Group Holdings, Inc.:		
Tranche B Term Loan, 6.50%, 2/09/18	947	955,985
Tranche C Term Loan, 6.50%, 8/09/18	3,784	3,823,792
		4,779,777

	Par (000)	Value
Floating Rate Loan Interests (b)		
Diversified Telecommunication Services 2.7%		
Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/25/17	USD 2,925	\$ 2,917,687
Level 3 Financing, Inc.:		
Term Loan B2, 5.75%, 9/03/18	6,000	6,041,280
Term Loan B3, 5.75%, 8/31/18	1,500	1,510,320
Tranche A Term Loan, 2.50% 2.83%, 3/13/14	200	196,700
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	1,497	1,418,049
		12,084,036

Electronic Equipment, Instruments & Components 0.9%

CDW LLC (FKA CDW Corp.), Extended Term Loan, 4.00%, 7/14/17	2,159	2,109,990
Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18	2,116	2,111,777
		4,221,767

Energy Equipment & Services 2.0%

CCS Corp., Term Loan B, 3.24%, 11/14/14	1,162	1,123,917
Dynegy Holdings, Inc.:		
Coal Co. Term Loan, 9.25%, 8/04/16	1,639	1,629,682
Gas Co. Term Loan, 9.25%, 8/04/16	2,999	3,093,966
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18	2,993	2,986,366
		8,833,931

Food & Staples Retailing 1.5%

AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.57%, 7/09/15	GBP 3,000	4,359,337
U.S. Foodservice, Inc., Term Loan B, 2.74% 2.75%, 7/03/14	USD 2,461	2,374,864
		6,734,201

Food Products 2.5%

Advance Pierre Foods, Term Loan: (First Lien), 7.00%, 9/30/16	2,864	2,863,750
(Second Lien) 11.25%, 9/29/17	1,800	1,801,494
Del Monte Corp., Term Loan, 4.50%, 3/08/18	3,884	3,808,951
Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14	1,280	1,286,198
Solvest Ltd. (Dole):		
Tranche B-2 Term Loan, 5.00% 6.00%, 7/06/18	402	403,568
Tranche C-2 Term Loan, 5.00% 6.00%, 7/06/18	747	749,484
		10,913,445

Health Care Equipment & Supplies 1.4%

Biomet, Inc., Term Loan B, 3.24% 3.57%, 3/25/15	264	260,687
	1,854	1,827,512

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DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan B, 3.24%, 5/20/14		
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	1,265	1,264,216
Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	1,237	1,228,838
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	1,516	1,526,434
		6,107,687
Health Care Providers & Services 3.9%		
CHS/Community Health Systems, Inc.:		
Extended Term Loan B, 3.99% 5.75%, 1/25/17	4	1,745
Non-Extended Delayed Draw Term Loan, 3.25%, 7/25/14	72	70,925
Non-Extended Term Loan, 2.49% 4.50%, 7/25/14	1,418	1,398,751
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	1,806	1,800,616
DaVita, Inc., Term Loan B, 4.50%, 10/20/16	1,980	1,984,534
Emergency Medical Services, Term Loan, 5.25%, 5/25/18	1,985	1,978,628
Harden Healthcare LLC:		
Term Loan A, 8.50%, 3/02/15	656	642,650
Tranche A Additional Term Loan, 7.75%, 3/02/15	2,182	2,138,497

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Health Care Providers & Services (concluded)		
HCA, Inc.:		
Term Loan B, 2.49%, 11/18/13	USD 245	\$ 243,623
Tranche B-3 Term Loan, 3.49%, 5/01/18	1,329	1,306,452
Health Management Associates, Inc., Term Loan B, 4.50%, 11/16/18	585	581,197
inVentiv Health, Inc. (FKA Ventive Health, Inc.):		
Combined Term Loan, 6.50%, 8/04/16	2,137	2,054,452
Incremental Term Loan B-3, 6.75%, 5/15/18	1,430	1,373,083
Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17	1,990	1,910,400
		17,485,553
Health Care Technology 1.0%		
IMS Health, Inc., Term Loan B, 4.50%, 8/25/17	1,980	1,980,348
Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18	1,310	1,331,287
MedAssets, Inc., Term Loan, 5.25%, 11/16/16	940	939,874
		4,251,509
Hotels, Restaurants & Leisure 2.8%		
Caesars Entertainment Operating Co., Inc.:		
Incremental Term Loan B4, 9.50%, 10/31/16	1,009	1,037,704
Term Loan B1, 3.24%, 1/28/15	2,264	2,121,529
Term Loan B3, 3.24% 3.58%, 1/28/15	4,298	4,027,465
Dunkin Brands, Inc., Term Loan B, 4.00% 5.25%, 11/23/17	2,537	2,529,823
Golden Living, Term Loan, 5.00%, 5/04/18	519	488,359
OSI Restaurant Partners LLC:		
Revolver, 2.56% 2.79%, 6/14/13	15	14,886
Term Loan B, 2.56%, 6/14/14	155	151,002
Seaworld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/17/17	1,472	1,470,061
Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 4.25%, 12/20/18	790	786,548
		12,627,377
Household Products 0.3%		
Prestige Brands International, Inc., Term Loan, 5.25%, 1/31/19	1,545	1,550,794
Independent Power Producers & Energy Traders 0.4%		
AES Corp., Term Loan, 4.25%, 6/01/18	1,787	1,784,714
Texas Competitive Electric Holdings Co. LLC (TXU), Extended Term Loan, 4.76%, 10/10/17	311	173,681
		1,958,395
Industrial Conglomerates 0.7%		
Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	555	556,848
Term Loan, 3.76% 3.84%, 12/03/14	2,643	2,614,551
		3,171,399
Internet Software & Services 0.3%		
	1,170	1,142,375

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Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17		
IT Services 3.8%		
Ceridian Corp., Term Loan, 3.24%, 11/10/14	2,304	2,179,576
First Data Corp.:		
Extended Term Loan B, 4.24%, 3/23/18	7,008	6,288,648
Term Loan B-1, 2.99%, 9/24/14	1,307	1,249,207
Term Loan B-3, 2.99%, 9/24/14	210	200,782
infoGROUP, Inc., Term Loan B, 5.75%, 5/25/18	853	797,690
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	1,028	1,023,374
NeuStar, Inc., Term Loan B, 5.00%, 11/08/18	1,451	1,454,991
TransUnion LLC, Term Loan B, 4.75%, 2/12/18	3,702	3,705,323
		16,899,591

	Par (000)	Value
Floating Rate Loan Interests (b)		
Leisure Equipment & Products 0.6%		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/20/13	USD 965	\$ 976,763
EB Sports Corp., Term Loan, 11.50%, 12/31/15	1,737	1,702,114
		2,678,877
Machinery 1.0%		
Terex Corp.:		
Term Loan, 6.00%, 4/28/17	EUR 219	290,180
Term Loan B, 5.50%, 4/28/17	USD 2,042	2,056,206
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	2,248	2,245,754
		4,592,140
Media 10.4%		
Acosta, Inc., Term Loan, 4.75%, 3/01/18	839	832,402
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/10/16	983	919,273
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	1,791	1,779,806
Capsugel Healthcare Ltd., Term Loan, 5.25%, 8/01/18	1,496	1,504,794
Cengage Learning Acquisitions, Inc.:		
Term Loan, 2.49%, 7/03/14	83	76,760
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,253	1,212,590
Cequel Communications LLC, Term Loan B, 4.00%, 2/11/19	1,950	1,930,051
Charter Communications Operating LLC:		
Term Loan, 7.25%, 3/06/14	46	45,791
Term Loan C, 3.83%, 9/06/16	2,656	2,635,757
Clear Channel Communications:		
Term Loan B, 3.89%, 1/28/16	3,824	3,139,122
Term Loan C, 3.89%, 1/28/16	565	447,762
Cumulus Media, Inc., Term Loan, 5.75%, 9/17/18	1,500	1,501,245
Gray Television, Inc., Term Loan B, 3.77%, 12/31/14	1,218	1,203,412
HMH Publishing Co. Ltd., Term Loan, 6.51%, 6/12/14	2,329	1,439,145
Hubbard Broadcasting, Term Loan B (Second Lien), 5.25%, 4/28/17	1,095	1,095,408
Intelsat Jackson Holdings SA (FKA Intel Jackson Holding Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	8,159	8,145,576
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	1,687	1,683,454
Kabel Deutschland GmbH, Term Loan F, 4.25%, 2/01/19	2,265	2,253,675
Lavena Holding 4 GmbH (Prosiebensat.1 Media AG):		
Term Loan B, 3.81%, 3/06/15	EUR 304	351,749

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Term Loan C, 4.06%, 3/04/16		608	707,546
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	USD	4,250	4,372,187
Nielsen Finance LLC, Class C Term Loan, 3.51%, 5/02/16		403	402,898
Sinclair Television Group, Inc.:			
Incremental Term Loan B3, 10/28/16		470	467,796
New Tranche B Term Loan, 4.00%, 10/28/16		1,583	1,575,908
Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17		3,272	3,038,294
UPC Broadband Holding B.V., Term Loan U, 4.72%, 12/29/17	EUR	196	256,064
UPC Financing Partnership:			
Term Loan, 4.75%, 12/29/17	USD	1,050	1,048,162
Term Loan T, 3.77%, 12/30/16		255	250,729
WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18		593	591,272
Weather Channel, Term Loan B, 4.25%, 2/13/17		1,429	1,429,568
			46,338,196

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Metals & Mining 2.2%		
Novelis, Inc.:		
Incremental Term Loan B2, 4.00%, 3/10/17	USD 1,130	\$ 1,124,856
Term Loan, 4.00%, 3/10/17	3,119	3,102,907
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18	1,592	1,588,021
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18	4,185	4,165,454
		9,981,238
Multi-Utilities 0.1%		
FirstLight Power Resources, Inc. (FKA NE Energy, Inc.),		
Term B Advance (First Lien), 2.75%, 11/01/13	343	322,672
Multiline Retail 1.6%		
99 Cents Only Stores, Term Loan B, 7.00%, 1/11/19	1,500	1,509,645
Dollar General Corp., Tranche B-2 Term Loan, 3.00% 3.33%, 7/07/14	1,439	1,439,441
Hema Holding BV:		
Second Lien Term Loan, 5.69%, 1/05/17	EUR 2,900	3,361,392
Term Loan B, 2.69%, 7/05/16	363	465,158
Term Loan C, 3.44%, 7/06/15	363	462,743
		7,238,379
Oil, Gas & Consumable Fuels 1.0%		
Gibson Energy, Term Loan B, 5.75%, 6/15/18	USD 1,493	1,494,052
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	3,044	3,059,534
		4,553,586
Paper & Forest Products 0.8%		
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	1,050	1,057,875
Verso Paper Finance Holdings LLC, Term Loan, 6.79% 7.54%, 2/01/13	4,656	2,327,915
		3,385,790
Pharmaceuticals 2.4%		
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	1,782	1,766,853
Endo Pharmaceuticals Holdings, Inc., Term Loan B, 4.00%, 6/18/18	500	500,446
Pharmaceutical Products Development, Inc., Term Loan B, 6.25%, 12/05/18	1,745	1,760,269
Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18	776	770,970
RPI Finance Trust, Term Loan Tranche 2, 4.00%, 5/09/18	1,144	1,142,236
Taminco Global Chemical Corp., New Term Loan, 6.25%, 2/15/19	925	928,802
Valeant Pharmaceuticals International, Add on Term Loan B, 3.75%, 2/08/19	2,415	2,407,465
Warner Chilcott Corp.:		
Term Loan B-1, 4.25%, 3/15/18	862	860,031
Term Loan B-2, 4.25%, 3/15/18	431	430,016
		10,567,088
Professional Services 1.2%		
Booz Allen Hamilton, Inc., Tranche B Term Loan, 4.00%, 8/03/17	245	245,315
Emdeon, Inc., Term Loan B, 6.75%, 11/02/18	2,775	2,806,718

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Fifth Third Processing Solutions LLC, Term Loan B (First Lien), 4.50%, 11/03/16		2,079		2,080,516
				5,132,549
Real Estate Investment Trusts (REITs) 0.6%				
iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13		2,873		2,859,896
			Par (000)	Value
Floating Rate Loan Interests (b)				
Real Estate Management & Development 0.7%				
Realogy Corp.:				
Extended Synthetic Letter of Credit Loan, 4.53%, 10/10/16	USD	333	\$	308,825
Extended Term Loan, 4.77%, 10/10/16		3,033		2,813,857
				3,122,682
Road & Rail 0.6%				
Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18		1,082		1,092,840
RailAmerica, Inc., Term Loan B, 4.00%, 2/27/19		1,685		1,680,787
				2,773,627
Semiconductors & Semiconductor Equipment 0.4%				
Freescale Semiconductor, Inc., Extended Term Loan B, 4.52%, 12/01/16		728		709,441
NXP B.V., Term Loan A-2, 5.50%, 3/03/17		1,278		1,268,154
				1,977,595
Software 0.6%				
Blackboard, Inc., Term Loan B, 7.50%, 10/04/18		600		592,002
Infor Enterprise Solutions Holdings, Inc.:				
Extended Delayed Draw Term Loan, 7/28/15		49		47,469
Extended Initial Term Loan, 7/28/15		91		89,381
Extended Initial Term Loan, 7/28/15	EUR	650		816,200
Sophia LP, Term Loan B, 6.25%, 7/19/18	USD	1,200		1,212,504
				2,757,556
Specialty Retail 3.5%				
Academy Ltd., Term Loan, 6.00%, 8/03/18		1,900		1,899,791
Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/23/17		1,364		1,364,437
Claire's Stores, Inc., Term Loan B, 3.00% 3.30%, 5/29/14		709		671,471
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18		2,175		2,168,562
The Gymboree Corp., Term Loan, 5.00%, 2/23/18		815		766,304
Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/16/18		794		783,305
Michaels Stores, Inc.:				
Extended Term Loan B3, 5.13%, 7/29/16		980		974,786
Term Loan B-2, 5.13%, 7/29/16		1,517		1,508,718
Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17		2,555		2,543,571
Toys R Us Delaware, Inc.:				
Term Loan B1, 6.00%, 9/01/16		1,898		1,899,324
Term Loan B2, 5.25%, 5/25/18		1,141		1,127,827
				15,708,096
Wireless Telecommunication Services 1.8%				
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19		755		751,565
MetroPCS Wireless, Inc., Term Loan B-3, 4.00% 4.06%, 3/16/18		1,261		1,250,743
Vodafone Americas Finance 2, Inc., Term Loan, 6.88%, 8/11/15 (h)		6,091		6,091,401
				8,093,709
Total Floating Rate Loan Interests 72.1%				321,413,136

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

		Beneficial Interest (000)	Value
Other Interests (k)			
Auto Components 0.0%			
Intermet Liquidating Trust, Class A (c)	USD	833	\$ 1
Chemicals 0.0%			
Wellman Holdings, Inc., Litigation Trust Certificate		10,000	100
Diversified Financial Services 0.3%			
J.G.Wentworth LLC Preferred Equity Interests (c)		1	1,239,201
Hotels, Restaurants & Leisure 0.0%			
Buffets, Inc. (c)		1,440	14
Household Durables 0.5%			
Stanley Martin, Class B Membership Units		2	2,171,250
Media 0.0%			
Adelphia Escrow (c)		7,500	75
Adelphia Preferred Escrow (c)		5	
Adelphia Recovery Trust (c)		9,406	941
Adelphia Recovery Trust, Series ACC-6B INT (c)		500	2,500
			3,516
Specialty Retail 0.0%			
Movie Gallery, Inc. Default Escrow (c)		21,700	217
Total Other Interests 0.8%			3,414,299

		Shares	
Warrants (l)			
Health Care Providers & Services 0.0%			
HealthSouth Corp. (Expires 1/16/14)		126,761	2
Hotels, Restaurants & Leisure 0.0%			
Buffets Restaurants Holdings, Inc. (Expires 4/29/14)		1,216	
Media 0.1%			
Charter Communications, Inc. (Expires 11/30/14)		12,661	237,900
Software 0.0%			
Bankruptcy Management Solutions, Inc. (Expires 9/29/17)		1,247	
HMH Holdings/EduMedia (Expires 3/09/17)		24,924	
Total Warrants 0.1%			237,902
Total Long-Term Investments			
(Cost \$649,369,385) 133.3%			594,261,214

		Beneficial Interest (000)	
Short-Term Securities			
Bank of New York Cash Reserves, 0.01% (m)	USD	9,310	9,309,840
Total Short-Term Securities			9,309,840
(Cost \$9,309,840) 2.1%			
Total Investments (Cost \$658,679,225) 135.4%			603,571,054
Liabilities in Excess of Other Assets (35.4)%			(157,746,819)
Net Assets 100.0%			\$ 445,824,235

(a)

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

- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) 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.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Bank of America	\$ 1,605,645	\$ 28,645
Barclays Capital Inc.	\$ 298,538	\$ 2,138
Citigroup Global Markets, Inc.	\$ 153,188	\$ 3,188
Goldman Sachs & Co.	\$ 1,405,000	
Morgan Stanley Co.	\$ 2,017,078	\$ 40,704

- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (m) Represents the current yield as of report date.

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

Affiliate	Shares Held at February 28, 2011	Net Activity	Shares Held at February 29, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	436,377	(436,377)		\$ 2,537

Foreign currency exchange contracts as of February 29, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
CAD 237,700	USD 232,758	Royal Bank of Scotland Plc	4/11/12	\$ 7,263
USD 4,135,821	GBP 2,698,000	UBS AG	4/11/12	(155,208)

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EUR	1,484,000	USD	1,960,563	Deutsche Bank AG	4/18/12	16,958
USD	17,446,101	EUR	13,552,500	Citibank NA	4/18/12	(613,429)
USD	642,015	EUR	486,000	UBS AG	4/18/12	(5,609)
Total						\$ (750,025)

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (concluded)

BlackRock Debt Strategies Fund, Inc. (DSU)

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed				
Securities		\$ 3,130,625	\$ 4,989,143	\$ 8,119,768
Common Stocks	\$ 2,213,632	370,718	5,458,062	8,042,412
Corporate Bonds		243,428,761	9,604,936	253,033,697
Floating Rate				
Loan interests		293,227,036	28,186,100	321,413,136
Other Interests	3,441		3,410,858	3,414,299
Warrants	237,900		2	237,902
Short-Term				
Investments		9,309,840		9,309,840
Total	\$ 2,454,973	\$ 549,466,980	\$ 51,649,101	\$ 603,571,054

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Foreign currency exchange contracts				
		\$ 24,221		\$ 24,221
Liabilities:				
		(774,246)		(774,246)

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Foreign currency exchange contracts		
Total	\$ (750,025)	\$ (750,025)

¹ Derivative financial instruments are foreign currency exchange contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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

	Asset-Backed Securities	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Total
Assets/Liabilities:							
Balance, as of February 28, 2011	\$ 6,393,325	\$ 926,586	\$ 12,777,038	\$ 50,753,656	\$ 4,757,077	\$ 26	\$ 75,607,708
Accrued discounts/premiums	68,423		471,764	217,248			757,435
Net realized gain (loss)	62,231	18,840	(7,813,320)	155,216	1,749,851		(5,827,182)
Net change in unrealized appreciation/depreciation ²	(333,611)	(6,653,262)	10,181,762	3,942,086	405,548	(24)	7,542,499
Purchases	1,712,700	10,563,366	25,052	8,377,601			20,678,719
Sales	(1,813,925)	(23,902)	(6,037,804)	(25,745,324)	(3,501,613)		(37,122,568)
Transfers in ³		626,434	444	2,248,566			2,875,444
Transfers out ³	(1,100,000)			(11,762,949)	(5)		(12,862,954)
Balance, as of February 29, 2012	\$ 4,989,143	\$ 5,458,062	\$ 9,604,936	\$ 28,186,100	\$ 3,410,858	\$ 2	\$ 51,649,101

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on securities still held on February 29, 2012 was \$(8,868,907).

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

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments February 29, 2012

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

Asset-Backed Securities	Par (000)	Value
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	USD 147	\$ 155,820
ARES CLO Funds, Series 2005-10A, Class B, 0.95%, 9/18/17 (a)(b)	500	462,690
Ballyrock CDO Ltd., Series 2006-1A, Class B, 0.84%, 8/28/19 (a)(b)	500	418,750
Canaras Summit CLO Ltd., Series 2007-1A, Class B, 1.04%, 6/19/21 (a)(b)	395	335,865
Flagship CLO, Series 2006-1A, Class B, 0.91%, 9/20/19 (a)(b)	1,000	772,500
Fraser Sullivan CLO Ltd., Series 2006-2A, Class B, 0.96%, 12/20/20 (a)(b)	500	425,000
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.92%, 10/27/20 (b)	305	246,287
Goldman Sachs Asset Management CLO Plc, Series 2007-1A, Class B, 1.00%, 8/01/22 (a)(b)	665	532,000
Landmark CDO Ltd., Series 2006-8A, Class B, 0.92%, 10/19/20 (a)(b)	570	477,193
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.52%, 12/21/17 (a)(b)	300	270,300
Portola CLO Ltd., Series 2007-1X, Class B1, 1.95%, 11/15/21 (b)	405	347,287
T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 1.17%, 7/15/19 (a)(b)	345	299,201
Total Asset-Backed Securities 3.3%		4,742,893

Common Stocks (c)	Shares	
Auto Components 0.7%		
Delphi Automotive Plc	1	41
Delphi Automotive Plc (180-day lock) (acquired 11/17/11, cost \$189,704) (d)	33,615	1,048,779
		1,048,820
Chemicals 0.0%		
GEO Specialty Chemicals, Inc.	10,732	4,937
Electrical Equipment 0.0%		
Medis Technologies Ltd.	13,053	65
Semiconductors & Semiconductor Equipment 0.0%		
SunPower Corp.	1,860	14,006
Software 0.0%		
HMH Holdings/EduMedia	47,227	11,807
Total Common Stocks 0.7%		1,079,635

Corporate Bonds	Par (000)	
Airlines 0.1%		
Delta Air Lines, Inc., Series 2009-1-B, 9.75%, 6/17/18	USD 55	58,663

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Auto Components 0.8%			
Icahn Enterprises LP:			
7.75%, 1/15/16		30	31,425
8.00%, 1/15/18 (a)		1,075	1,139,500
			1,170,925
Capital Markets 0.0%			
E*Trade Financial Corp., 3.99%, 8/31/19 (a)(e)(f)		46	43,528
	Par		Value
	(000)		
Corporate Bonds			
Chemicals 1.7%			
CF Industries, Inc., 6.88%, 5/01/18	USD	480	\$ 565,200
GEO Specialty Chemicals, Inc. (a):			
7.50%, 3/31/15 (e)(g)		702	835,500
10.00%, 3/31/15		691	690,560
Ineos Finance Plc, 8.38%, 2/15/19 (a)		125	132,812
Lyondell Chemical Co., 11.00%, 5/01/18		150	164,142
LyondellBasell Industries NV, 6.00%, 11/15/21 (a)		50	54,875
			2,443,089
Commercial Banks 0.2%			
CIT Group, Inc.:			
7.00%, 5/01/16		117	117,162
7.00%, 5/02/17 (a)		150	150,188
			267,350
Commercial Services & Supplies 0.3%			
ARAMARK Corp., 4.05%, 2/01/15 (b)		75	74,719
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)		335	350,476
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)		12	11,400
			436,595
Consumer Finance 0.3%			
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)		425	454,750
Containers & Packaging 0.4%			
Graphic Packaging International, Inc., 9.50%, 6/15/17			
		115	127,938
OI European Group BV, 6.88%, 3/31/17	EUR	113	156,572
Smurfit Kappa Acquisitions (a):			
7.25%, 11/15/17		55	78,406
7.75%, 11/15/19		160	229,688
			592,604
Diversified Financial Services 1.4%			
Ally Financial, Inc., 2.73%, 12/01/14 (b)	USD	1,175	1,099,720
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		70	74,637
Reynolds Group Issuer, Inc. (a):			
8.75%, 10/15/16 (h)	EUR	200	283,114
8.75%, 10/15/16	USD	300	319,500
6.88%, 2/15/21		210	222,600
			1,999,571
Diversified Telecommunication Services 0.4%			
ITC Deltacom, Inc., 10.50%, 4/01/16		290	302,325
Qwest Communications International, Inc., 8.00%, 10/01/15		300	322,031
			624,356
Health Care Equipment & Supplies 0.5%			
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC):			
10.88%, 11/15/14		645	656,288
7.75%, 4/15/18		95	81,700
			737,988
Health Care Providers & Services 0.5%			
HCA, Inc., 6.50%, 2/15/20		455	487,988

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Tenet Healthcare Corp., 8.88%, 7/01/19	170	193,800
		681,788
Health Care Technology 0.8%		
IMS Health, Inc., 12.50%, 3/01/18 (a)	980	1,166,200
Hotels, Restaurants & Leisure 1.1%		
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)	383	337,040
MGM Resorts International:		
10.38%, 5/15/14	460	523,250
11.13%, 11/15/17	200	227,500

See Notes to Consolidated Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Hotels, Restaurants & Leisure (concluded)		
Travelport LLC (FKA Travelport, Inc.):		
5.15%, 9/01/14 (b)	USD 665	\$ 340,812
9.88%, 9/01/14 (a)	150	85,875
		1,514,477
Independent Power Producers & Energy Traders 1.9%		
Calpine Corp., 7.25%, 10/15/17 (a)	625	662,500
Energy Future Holdings Corp., 10.00%, 1/15/20	470	508,187
Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20	1,455	1,580,494
		2,751,181
Industrial Conglomerates 0.5%		
Sequa Corp., 13.50%, 12/01/15 (a)	679	724,477
Machinery 0.1%		
UR Financing Escrow Corp., 5.75%, 7/15/18 (a)	90	92,475
Media 2.7%		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	120	133,800
CCH II LLC, 13.50%, 11/30/16	550	632,500
Checkout Holding Corp., 10.68%, 11/15/15 (a)(f)	350	157,500
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	212	232,140
Series B, 9.25%, 12/15/17	967	1,063,700
CSC Holdings LLC, 8.50%, 4/15/14	230	255,300
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	330	363,000
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	1,000	1,085,000
		3,922,940
Multiline Retail 0.2%		
Dollar General Corp., 11.88%, 7/15/17 (g)	235	257,915
Oil, Gas & Consumable Fuels 0.1%		
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	144	154,080
Paper & Forest Products 0.2%		
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	180	184,950
Verso Paper Holdings LLC, Series B, 4.30%, 8/01/14 (b)	180	124,650
		309,600
Pharmaceuticals 0.2%		
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	210	214,200
Real Estate Management & Development 0.1%		
Realogy Corp., 7.63%, 1/15/20 (a)	190	196,175
Wireless Telecommunication Services 2.2%		
Cricket Communications, Inc., 7.75%, 5/15/16	825	878,625
Digicel Group Ltd. (a):		
9.13%, 1/15/15	399	406,980
8.25%, 9/01/17	265	280,900
iPCS, Inc., 2.67%, 5/01/13 (b)	500	481,250
Sprint Nextel Corp. (a):		

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9.00%, 11/15/18	410	457,150
7.00%, 3/01/20	630	640,237
		3,145,142
Total Corporate Bonds 16.7%		23,960,069

	Par (000)	Value
Floating Rate Loan Interests (b)		
Aerospace & Defense 1.7%		
DynCorp International, Term Loan B, 6.25% 6.75%, 7/07/16	USD 415	\$ 413,857
SI Organization, Inc., New Term Loan B, 4.50%, 11/22/16	467	447,675
TransDigm, Inc.:		
Add on Term Loan B2, 4.00%, 2/14/17	225	225,187
Term Loan (First Lien), 4.00%, 2/14/17	941	939,672
Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17	356	355,870
		2,382,261

Airlines 0.8%		
Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17 (a)	1,180	1,152,045
Auto Components 2.6%		
Allison Transmission, Inc., Term Loan B, 2.75%, 8/07/14	1,629	1,611,038
Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17	748	749,996
Federal-Mogul Corp.:		
Term Loan B, 2.19% 2.20%, 12/29/14	320	305,631
Term Loan C, 2.19% 2.20%, 12/28/15	163	155,934
GPX International Tire Corp. (c)(i):		
8.37%, 3/30/12	9	
12.00%, 3/30/12	549	
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	540	541,577
UCI International, Inc., Term Loan, 5.50%, 7/26/17	396	396,990
		3,761,166

Biotechnology 0.7%		
Grifols SA, Term Loan B, 4.50%, 6/01/17	998	996,288
Building Products 3.0%		
Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	620	617,794
CPG International I, Inc., Term Loan B, 6.00%, 2/18/17	941	888,772
Goodman Global Holdings, Inc., Initial First Lien Term Loan (First Lien), 5.75%, 10/28/16	2,327	2,338,393
Momentive Performance Materials, Inc. (Nautilus), Extended Term Loan B2, 4.08%, 5/05/15	EUR 340	428,367
		4,273,326

Capital Markets 1.7%		
American Capital Ltd., Term Loan B, 7.50%, 12/31/13	USD 70	70,153
HarbourVest Partners, Term Loan (First Lien), 6.25%, 12/16/16	838	838,853
Nuveen Investments, Inc.:		
New Term Loan (First Lien), 3.30% 3.58%, 5/12/17	459	456,111
Extended Term Loan, 5.74% 5.83%, 5/12/17	916	913,423
Incremental Term Loan, 7.25%, 5/13/17	180	181,260
		2,459,800

Chemicals 4.9%		
American Rock Salt Holdings LLC, Term Loan B, 5.50%, 4/25/17	715	664,071

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Ashland, Inc., Term Loan B, 3.75%, 8/23/18		459	460,365
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16		800	802,504
Gentek, Inc., Term Loan B, 5.00% 5.75%, 10/06/15		563	558,973
MDI Holdings, LLC, Tranche C Term Loan, 2.76%, 4/11/14	EUR	262	340,424
Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17	USD	620	610,747
PolyOne Corp., Term Loan, 5.00%, 12/20/17		215	215,322
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B (First Lien), 3.50%, 7/30/14 (a)		840	819,588

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Chemicals (concluded)		
Styron Sarl, Term Loan B, 6.00% 6.75%, 8/02/17	USD 585	\$ 527,376
Tronox Worldwide LLC:		
Delayed Draw Term Loan, 1.00%, 2/08/18	200	200,133
Term Loan B, 4.25%, 2/08/18	735	733,820
Univar, Inc., Term Loan B, 5.00%, 6/30/17	1,072	1,063,144
		6,996,467
Commercial Services & Supplies 3.9%		
Altegrity, Inc. (FKA US Investigations Services),		
Tranche D Term Loan, 7.75%, 2/20/15	930	928,343
ARAMARK Corp.:		
Letter of Credit 2 Facility, 3.55%, 7/26/16	22	21,615
Term Loan B, 3.83%, 7/26/16	307	303,939
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	484	482,246
Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16	1,000	1,001,070
International Lease Finance Corp., Term Loan B1, 6.75%, 3/17/15	40	40,067
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17	1,343	1,341,571
Synagro Technologies, Inc., Term Loan B, 2.25% 2.26%, 4/02/14	859	768,985
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	518	520,599
West Corp.:		
Term Loan B4, 4.49% 4.78%, 7/15/16	68	67,737
Term Loan B5, 4.49% 4.51%, 7/15/16	131	130,786
		5,606,958
Communications Equipment 1.2%		
Avaya, Inc.:		
Term Loan B1, 3.24%, 10/24/14	612	598,511
Term Loan B3, 4.99%, 10/26/17	360	349,117
CommScope, Inc., Term Loan B, 5.00%, 1/14/18	768	768,025
		1,715,653
Construction & Engineering 0.9%		
BakerCorp. International, Inc., Term Loan B, 5.00%, 6/01/18		
	428	427,208
Safeway Services, LLC, First Out Tranche Loan, 9.00%, 12/16/17	900	900,000
		1,327,208
Consumer Finance 1.5%		
Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	2,435	2,219,770
Containers & Packaging 0.7%		
Berry Plastics Holding Corp., Term Loan C, 2.25%, 4/03/15	137	133,643
Sealed Air Corp., Term Loan B, 4.75%, 10/03/18	827	835,392
		969,035
Diversified Consumer Services 3.0%		
Coinmach Service Corp., Term Loan, 3.41%, 11/20/14	1,341	1,234,644

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Laureate Education, Inc., Extended Term Loan, 5.25%, 8/15/18		2,029		1,936,218
ServiceMaster Co.:				
Delayed Draw Term Loan, 2.75%, 7/24/14		110		108,583
Term Loan, 2.77% 3.03%, 7/24/14		1,104		1,090,358
				4,369,803
Diversified Financial Services 1.5%				
Reynolds Group Holdings, Inc.:				
Tranche B Term Loan, 6.50%, 2/09/18		687		693,461
Tranche C Term Loan, 5.25% 6.50%, 8/09/18		1,480		1,495,616
				2,189,077
		Par		Value
		(000)		
Floating Rate Loan Interests (b)				
Diversified Telecommunication Services 4.2%				
Hawaiian Telcom Communications, Inc., Term Loan B, 9.00%, 2/25/17	USD	565	\$	563,587
Integra Telecom Holdings, Inc., Term Loan B, 9.25%, 4/15/15		788		693,440
Level 3 Financing, Inc.:				
Term Loan B2, 5.75%, 9/03/18		2,000		2,013,760
Term Loan B3, 5.75%, 8/31/18		650		654,472
Tranche A Term Loan, 2.50% 2.83%, 3/13/14		1,300		1,278,550
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17		894		847,014
				6,050,823
Electronic Equipment, Instruments & Components 1.2%				
CDW LLC (FKA CDW Corp.), Extended Term Loan, 3.75% 4.00%, 7/14/17		930		908,773
Flextronics International Ltd., Delayed Draw:				
Term Loan A-2, 2.52%, 10/01/14		24		23,590
Term Loan A-3, 2.49%, 10/01/14		20		20,220
Sensata Technologies Finance Co., LLC, New Term Loan, 4.00%, 5/11/18		810		807,808
				1,760,391
Energy Equipment & Services 2.9%				
CCS Corp.:				
Incremental Term Loan, 6.50%, 10/17/14		405		405,405
Term Loan B, 3.24%, 11/14/14		871		842,719
Dynegy Holdings, Inc.:				
Coal Co. Term Loan, 9.25%, 8/04/16		520		516,777
Gas Co. Term Loan, 9.25%, 8/04/16		677		698,638
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18		1,746		1,742,046
				4,205,585
Food & Staples Retailing 1.6%				
AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.60%, 7/09/15	GBP	675		980,851
B&G Foods, Inc., Term Loan B, 4.50%, 11/30/18	USD	200		200,450
Bolthouse Farms, Inc., Term Loan (First Lien), 5.50% 5.75%, 2/11/16		270		269,971
U.S. Foodservice, Inc., Term Loan B, 2.74% 2.75%, 7/03/14		904		872,026
				2,323,298
Food Products 3.2%				
Advance Pierre Foods, Term Loan: (First Lien), 7.00%, 9/30/16		1,027		1,027,173
(Second Lien), 11.25%, 9/29/17		655		655,544
Del Monte Corp., Term Loan, 4.50%, 3/08/18		1,339		1,312,843
Michaels Foods Group, Inc. (FKA M-Foods Holdings, Inc.), Term Loan B, 4.25%, 2/23/18		83		82,795
Pinnacle Foods Finance LLC:				
		50		49,461

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Tranche B Term Loan, 2.76% 3.08%, 4/02/14		
Tranche D Term Loan, 6.00% 6.50%, 4/02/14	537	539,283
Solvest, Ltd. (Dole):		
Tranche B-2 Term Loan, 5.00% 6.00%, 7/06/18	299	300,492
Tranche C-2 Term Loan, 5.00% 6.00%, 7/06/18	556	558,057
		4,525,648
Health Care Equipment & Supplies 1.9%		
Biomet, Inc., Term Loan B, 3.24% 3.57%, 3/25/15	363	359,059
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan B, 3.24%, 5/20/14	545	537,349
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	410	409,746
Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	404	401,323
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	953	959,043
		2,666,520

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Health Care Providers & Services 4.7%		
CHS/Community Health Systems, Inc.:		
Non-Extended Delayed Draw Term Loan, 3.25%, 7/25/14	USD 40	\$ 39,609
Non-Extended Term Loan, 2.49% 4.50%, 7/25/14	742	732,318
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	693	691,053
DaVita, Inc., Term Loan B, 4.50%, 10/20/16	891	893,040
Emergency Medical Services, Term Loan, 5.25%, 5/25/18	887	884,128
Harden Healthcare LLC:		
Term Loan, 8.50%, 3/02/15	328	321,325
Tranche A Additional Term Loan, 7.75%, 3/02/15	576	564,886
HCA, Inc.:		
Tranche B-2 Term Loan, 3.83%, 3/31/17	368	362,826
Tranche B-3 Term Loan, 3.49%, 5/01/18	136	133,271
Health Management Associates, Inc., Term Loan B, 4.50%, 11/16/18	300	298,050
inVentiv Health, Inc. (FKA Ventive Health, Inc.):		
Combined Term Loan, 6.50%, 8/04/16	696	668,802
Incremental Term Loan B-3, 6.75%, 5/15/18	452	433,655
Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17	647	620,880
Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Term Loan B, 5.00%, 1/29/16	70	69,650
		6,713,493
Health Care Technology 1.3%		
IMS Health, Inc., Term Loan B, 4.50%, 8/25/17	637	637,340
Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18	835	848,569
MedAssets, Inc., Term Loan, 5.25%, 11/16/16	426	425,969
		1,911,878
Hotels, Restaurants & Leisure 5.7%		
Ameristar Casinos, Inc., Term Loan B, 4.00%, 4/13/18	645	646,067
Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15	450	451,053
Caesars Entertainment Operating Co., Inc.:		
Term Loan B3, 3.24%, 1/28/15	238	223,225
Term Loan B3, 3.00% 3.58%, 1/28/15	2,734	2,561,924
Term Loan B4, 9.50%, 10/31/16	671	690,360
Dunkin Brands, Inc., Term Loan B, 4.00% 5.25%, 11/23/17	1,006	1,002,653
Golden Living, Term Loan, 5.00%, 5/04/18	167	157,361
OSI Restaurant Partners LLC:		
Revolver, 2.56% 2.79%, 6/14/13	5	4,816
Term Loan B, 2.56%, 6/14/14	50	48,854
Seaworld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/17/17	713	712,200

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Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 4.25%, 12/20/18	800	796,504
Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16	550	495,918
Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15	402	401,745
		8,192,680
Household Products 0.6%		
Prestige Brands International, Inc., Term Loan, 5.25%, 1/31/19	790	792,962
Floating Rate Loan Interests (b)	Par (000)	Value
Independent Power Producers & Energy Traders 0.9%		
AES Corp., Term Loan, 4.25%, 6/01/18	USD 993	\$ 991,507
Texas Competitive Electric Holdings Co. LLC (TXU), Extended Term Loan, 4.76%, 10/10/17	655	365,590
		1,357,097
Industrial Conglomerates 1.4%		
Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	350	351,165
Term Loan, 3.76% 3.84%, 12/03/14	1,671	1,653,163
		2,004,328
Insurance 0.6%		
CNO Financial Group, Inc., Term Loan B, 6.25%, 9/30/16	834	837,436
Internet Software & Services 0.4%		
Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17	625	609,912
IT Services 5.2%		
Ceridian Corp., Term Loan, 3.24%, 11/10/14	749	708,146
First Data Corp.:		
Extended Term Loan B, 4.24%, 3/23/18	3,559	3,194,007
Term Loan B-1, 2.99%, 9/24/14	467	446,270
Term Loan B-3, 2.99%, 9/24/14	78	74,959
infoGROUP, Inc., Term Loan B, 5.75%, 5/22/18	376	351,314
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	358	355,891
NeuStar, Inc., Term Loan B, 5.00%, 11/08/18	469	469,997
SunGard Data Systems, Inc. (Solar Capital Corp.), Tranche B Term Loan, 3.99% 4.15%, 2/26/16	161	160,279
TransUnion LLC, Term Loan B, 4.75%, 2/12/18	1,729	1,730,348
		7,491,211
Leisure Equipment & Products 0.2%		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/20/13	315	318,840
Machinery 1.5%		
Terex Corp.:		
Term Loan, 6.00%, 4/28/17	EUR 70	92,330
Term Loan B, 5.50%, 4/28/17	USD 694	698,536
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	1,349	1,347,452
		2,138,318
Media 18.0%		
Acosta, Inc., Term Loan, 4.75%, 3/01/18	352	349,577
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/10/16	810	757,867
AMC Entertainment, Inc., Term Loan B3, 4.25%, 2/22/18	375	370,009
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	896	889,903
Atlantic Broadband Finance LLC, Term Loan B, 4.00%, 3/08/16	481	479,357
	1,584	1,578,725

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Bresnan Telecommunications Co., LLC, Term Loan B, 4.50%, 12/14/17		
Capsugel Healthcare Ltd., Term Loan, 5.25%, 8/01/18	698	702,237
Catalina Marketing Corp., Term Loan B, 2.99%, 10/01/14	728	707,330
Cengage Learning Acquisitions, Inc.: Term Loan, 2.49%, 7/03/14	352	326,427
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	494	478,112
Cequel Communications LLC, Term Loan B, 4.00%, 2/11/19	1,255	1,242,161

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

		Par (000)		Value
Floating Rate Loan Interests (b)				
Media (concluded)				
Charter Communications Operating LLC:				
Term Loan, 7.25%, 3/06/14	USD	14	\$	14,353
Term Loan C, 3.83%, 9/06/16		1,155		1,145,838
Clarke American Corp., Term Facility B, 2.74% 3.08%, 6/30/14		264		240,975
Clear Channel Communication:				
Term Loan B, 3.89%, 1/28/16		1,410		1,157,157
Term Loan C, 3.89%, 1/28/16		185		146,612
Cumulus Media, Inc., Term Loan, 5.75%, 9/17/18		705		705,585
Gray Television, Inc., Term Loan B, 3.77%, 12/31/14		735		725,914
HMH Publishing Co. Ltd., Term Loan, 6.51%, 6/12/14		735		454,325
Hubbard Broadcasting, Term Loan B (Second Lien), 5.25%, 4/28/17		498		497,913
Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18		3,474		3,467,845
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18		1,538		1,534,914
Kabel Deutschland GmbH, Term Loan F, 4.25%, 2/01/19		735		731,325
Knology, Inc., Term Loan B, 4.00%, 8/18/17		345		341,730
Lavena Holding 4 GmbH (Prosiebensat.1 Media AG), Term Loan B, 3.81%, 3/06/15	EUR	304		351,749
LIN Television Corp., Term Loan B, 5.00%, 12/21/18	USD	375		376,875
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13		1,325		1,363,094
Nielsen Finance LLC, Class C Term Loan, 4.01%, 5/02/16		728		730,085
Sinclair Television Group, Inc.:				
Incremental Term Loan B3, 10/28/16		150		149,296
New Tranche B Term Loan, 4.00%, 10/28/16		589		586,102
Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17		1,116		1,036,492
UPC Broadband Holding B.V., Term Loan U, 4.72%, 12/29/17	EUR	210		275,005
UPC Financing Partnership:				
Term Loan, 4.75%, 12/29/17	USD	530		529,072
Term Loan T, 3.77%, 12/30/16		95		93,409
WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18		250		248,956
Weather Channel, Term Loan B, 4.25%, 2/13/17		1,111		1,111,817
				25,898,143
Metals & Mining 2.6%				
Novelis, Inc., Term Loan, 4.00%, 3/10/17		1,514		1,506,780
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18		498		496,256
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18		1,737		1,729,179
				3,732,215
Multi-Utilities 0.1%				
		151		141,943

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FirstLight Power Resources, Inc. (FKA NE Energy, Inc.), Term B Advance (First Lien), 2.75%, 11/01/13

Multiline Retail 1.2%

99 Cents Only Stores, Term Loan B, 7.00%, 1/11/19

600 603,858

Dollar General Corp., Tranche B-2 Term Loan, 3.00% 3.33%, 7/07/14

360 360,609

Hema Holding BV:

Term Loan B, 2.69%, 7/05/16

EUR 205 263,590

Term Loan C, 3.44%, 7/06/15

205 262,221

The Neiman Marcus Group, Inc., Term Loan, 4.75%, 5/16/18

USD 200 198,400

1,688,678

Floating Rate Loan Interests (b)

Par
(000)

Value

Oil, Gas & Consumable Fuels 1.9%

EquiPower Resources Holdings LLC, Term Loan B, 5.75%, 1/26/18

USD 819 \$ 769,961

Gibson Energy, Term Loan B, 5.75%, 6/15/18

945 946,233

Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15

980 985,077

2,701,271

Paper & Forest Products 0.7%

NewPage Corp., DIP Term Loan, 8.00%, 3/07/13

250 251,875

Verso Paper Finance Holdings LLC, Term Loan, 6.79% 7.54%, 2/01/13

1,469 734,309

986,184

Pharmaceuticals 3.8%

Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17

1,139 1,128,823

Endo Pharmaceuticals Holdings, Inc., Term Loan B, 4.00%, 6/18/18

187 186,833

Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18

950 958,313

Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18

677 672,128

RPI Finance Trust, Term Loan Tranche 2, 4.00%, 5/09/18

498 496,624

Tamino Global Chemical Corp., New Term Loan, 6.25%, 2/15/19

335 336,377

Valeant Pharmaceuticals International, Add on Term Loan B, 3.75%, 2/08/19

1,210 1,206,225

Warner Chilcott Corp.:

Term Loan B-1, 4.25%, 3/15/18

363 362,118

Term Loan B-2, 4.25%, 3/15/18

181 181,059

5,528,500

Professional Services 1.4%

Booz Allen Hamilton, Inc., Tranche B Term Loan, 4.00%, 8/03/17

336 336,482

Emdeon, Inc., Term Loan B, 6.75%, 11/02/18

1,000 1,011,430

Fifth Third Processing Solutions LLC, Term Loan B (First Lien), 4.50%, 11/03/16

712 712,521

2,060,433

Real Estate Investment Trusts (REITs) 0.7%

iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13

983 978,385

Real Estate Management & Development 1.0%

Mattamy Funding Partnership, Term Loan B, 2.75%, 4/11/13

226 214,517

Realogy Corp.:

Delayed Draw Term Loan, 3.25%, 10/10/13

29 27,404

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Extended Synthetic Letter of Credit Loan, 4.53%, 10/10/16	45	41,787
Extended Term Loan, 4.77%, 10/10/16	1,230	1,140,830
		1,424,538
Road & Rail 0.8%		
Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18	559	564,046
RailAmerica, Inc., Term Loan B, 4.00%, 2/27/19	545	543,638
		1,107,684
Semiconductors & Semiconductor Equipment 0.7%		
Freescale Semiconductor, Inc., Extended Term Loan B, 4.52%, 12/01/16	464	451,646
NXP B.V., Term Loan A-2, 5.50%, 3/03/17	599	594,309
		1,045,955

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests (b)		
Software 1.5%		
Blackboard, Inc., Term Loan B, 7.50%, 10/04/18	USD 295	\$ 291,067
Datatel, Inc., Term Loan B, 6.25%, 7/19/18	600	606,252
Infor Enterprise Solutions Holdings, Inc.:		
Extended Delayed Draw Term Loan, 7/28/15	21	20,344
Extended Initial Term Loan, 7/28/15	EUR 225	282,531
Extended Initial Term Loan, 7/28/15	USD 39	38,306
Rovi Corp., Tranche B Term Loan, 4.00%, 2/07/18	546	545,193
Vertafore, Inc., Term Loan B, 5.25%, 7/29/16	356	353,372
		2,137,065
Specialty Retail 4.6%		
Academy Ltd., Term Loan, 6.00%, 8/03/18	900	899,901
Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17	70	69,700
Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/23/17	455	454,812
Claire's Stores, Inc., Term Loan B, 2.99% - 3.30%, 5/29/14	232	219,642
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	940	937,218
The Gymboree Corp., Term Loan B, 5.00%, 2/23/18	345	324,386
Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18	372	366,867
Michaels Stores, Inc.:		
Extended Term Loan B-2, 5.13%, 7/29/16	711	706,910
Extended Term Loan B3, 5.13%, 7/29/16	392	389,800
Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17	1,080	1,075,043
Toys 'R Us Delaware, Inc.:		
Term Loan B1, 6.00%, 9/01/16	921	922,306
Term Loan B2, 5.25%, 5/25/18	298	294,216
		6,660,801
Wireless Telecommunication Services 2.2%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19	1,075	1,070,109
MetroPCS Wireless, Inc.:		
Term Loan B-3, 4.00% - 4.06%, 3/16/18	147	145,551
Tranche B-2 Term Loan, 4.07% - 4.13%, 11/03/16	476	472,207
Vodafone Americas Finance 2, Inc.:		
Term Loan, 6.88%, 8/11/15 (g)	1,211	1,211,003
Term Loan B, 6.25%, 7/11/16	309	308,602
		3,207,472
Total Floating Rate Loan Interests 106.8%		153,618,544
Other Interests (j)		
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate	2,000	20
Diversified Financial Services 0.2%		
J.G.Wentworth LLC Preferred Equity Interests (c)	(k)	311,526

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Total Other Interests 0.2%	311,546
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Warrants (l) 0.0%	Shares
Software 0.0%	
HMH Holdings/EduMedia (Expires 3/09/17)	5,330
Total Long-Term Investments	
(Cost \$185,371,855) 127.7%	183,712,687

Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.11% (m)(n)	2,382,746	\$ 2,382,746
Total Short-Term Securities		
(Cost \$2,382,746) 1.7%		2,382,746

Options Purchased	Contracts
Over-the-Counter Call Options 0.0%	
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Bank USA (a)	11
Total Options Purchased	
(Cost \$10,755) 0.0%	
Total Investments (Cost \$187,765,356) 129.4%	186,095,433
Liabilities in Excess of Other Assets (29.4)%	(42,322,482)
Net Assets 100.0%	\$ 143,772,951

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Restricted security as to resale. As of report date the Fund held 0.73% of its net assets, with a current value of \$1,048,779 and an original cost of \$189,704 in this security.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (h) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (k) Amount is less than \$500.
- (l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (m) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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Affiliate	Shares Held at February 28, 2011	Net Activity	Shares Held at February 29, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	2,714,267	(331,521)	2,382,746	\$ 1,960

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (concluded)

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

Foreign currency exchange contracts as of February 29, 2012 were as follows:

	Currency Purchased		Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	878,364	GBP	573,000	UBS AG	4/11/12	\$ (32,963)
EUR	218,000	USD	288,382	Citibank NA	4/18/12	2,116
EUR	213,000	USD	282,391	Deutsche Bank AG	4/18/12	1,444
USD	3,065,459	EUR	2,386,500	Citibank NA	4/18/12	(114,697)
USD	285,175	EUR	215,000	Citibank NA	4/18/12	(1,326)
Total						\$ (145,426)

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$ 1,730,769	\$ 3,012,124	\$ 4,742,893
Common Stocks	\$ 14,112	1,048,779	16,744	1,079,635
Corporate Bonds		22,096,969	1,863,100	23,960,069
Floating Rate Loan Interests		144,175,617	9,442,927	153,618,544
Other Interests			311,546	311,546
Warrants				
Short-Term Securities	2,382,746			2,382,746

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Total	\$	2,396,858	\$	169,052,134	\$	14,646,441	\$	186,095,433
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Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Foreign currency exchange contracts		\$ 3,560		\$ 3,560
Liabilities:				
Foreign currency exchange contracts		(148,986)		(148,986)
Total		\$ (145,426)		\$ (145,426)

¹ Derivative financial instruments are foreign currency exchange contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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

	Asset-Backed Securities	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Unfunded Loan Commitments Assets	Unfunded Loan Commitments (Liabilities)	Total
Assets/Liabilities:								
Balance, as of February 28, 2011	\$ 4,537,295	\$ 240,264	\$ 1,839,313	\$ 20,965,976	\$ 299,336	\$ 2,079	\$ (5,523)	\$ 27,878,740
Accrued discounts/premiums	52,001		56,702	192,896				301,599
Net realized gain (loss)	5,598	15	(1,818,719)	132,341				(1,680,765)
Net change in unrealized appreciation/depreciation ²	(198,420)	(222,730)	2,059,186	(1,297,119)	2,378	(2,079)	5,523	346,739
Purchases			5,005	2,924,771	9,832			2,939,608
Sales	(944,350)	(805)	(278,387)	(9,198,408)				(10,421,950)
Transfers in ³				948,026				948,026
Transfers out ³	(440,000)			(5,225,556)				