

BLACKROCK DEBT STRATEGIES FUND, INC.
Form N-Q
July 29, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: 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: 02/28/2011

Date of reporting period: 05/31/2011

Item 1 Schedule of Investments

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Schedule of Investments May 31, 2011 (Unaudited)

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, 0.64%, 9/18/17 (a)(b) | USD 1,250 | \$ 1,109,487 |
| Ballyrock CDO Ltd., Series 2006-1A, Class B, 0.60%, 8/28/19 (a)(b) | 1,000 | 882,500 |
| CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 | 625 | 631,250 |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B, 0.73%, 6/19/21 (a)(b) | 1,225 | 1,034,206 |
| Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.66%, 10/27/20 (b) | 940 | 808,400 |
| Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.68%, 11/15/17 (b) | 1,980 | 1,739,034 |
| Portola CLO Ltd., Series 2007-1X, Class B1, 1.76%, 11/15/21 (b) | 1,245 | 1,120,500 |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 0.88%, 7/15/19 (a)(b) | 1,075 | 972,639 |
| Total Asset-Backed Securities 1.8% | | 8,298,016 |

| | Shares | |
|---|-------------|-----------|
| Common Stocks (c) | | |
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. | 339,340 | 130,273 |
| Wellman Holdings, Inc. | 906 | 2,944 |
| Wellman, Inc. (d) (acquired 1/30/09, cost \$1,027) | 4,467 | 14,518 |
| | | 147,735 |
| Containers & Packaging 0.1% | | |
| Smurfit Kappa Plc | 36,342 | 450,824 |
| Diversified Financial Services 1.4% | | |
| Preferred Term Securities VI, Ltd. (a) | 35,000 | 1,750 |
| Kcad Holdings I Ltd. | 493,499,609 | 6,795,489 |
| | | 6,797,239 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. | 286,757 | 4,875 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. | 2,753 | 11,012 |
| HRP PIK Corp., Class B (a) | 5,000 | 50 |
| | | 11,062 |

| | Shares | Value |
|---|-----------|------------|
| Common Stocks (c) | | |
| Metals & Mining 0.2% | | |
| Euramax International | 2,337 | \$ 736,249 |
| Paper & Forest Products 1.1% | | |
| Ainsworth Lumber Co. Ltd. | 294,149 | 910,819 |
| Ainsworth Lumber Co. Ltd. (a) | 1,233,901 | 3,820,718 |
| Western Forest Products, Inc. (a) | 211,149 | 193,964 |

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| | | |
|---|-------------|-------------------|
| | | 4,925,501 |
| Semiconductors & Semiconductor Equipment | 0.0% | |
| SunPower Corp., Class B | | 101,705 |
| | | 4,892 |
| Software | 0.2% | |
| Bankruptcy Management Solutions, Inc. | | 19 |
| | | 1,870 |
| HMH Holdings/EduMedia | | 795,995 |
| | | 159,199 |
| | | 796,014 |
| Specialty Retail | 0.0% | |
| Movie Gallery, Inc. | | 504 |
| | | 503,737 |
| Total Common Stocks | 3.0% | 13,971,708 |

| | | Par (000) | |
|---|-------------|----------------------|-----------|
| Corporate Bonds | | | |
| Aerospace & Defense | 0.8% | | |
| Bombardier, Inc., 7.75%, 3/15/20 (a) | | 1,750 | 1,977,500 |
| | | USD | |
| Kratos Defense & Security Solutions, Inc.: | | | |
| 10.00%, 6/01/17 | | 1,000 | 1,100,000 |
| 10.00%, 6/01/17 (a) | | 684 | 752,400 |
| | | | 3,829,900 |
| Airlines | 0.6% | | |
| Air Canada, 9.25%, 8/01/15 (a) | | 1,060 | 1,101,075 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | | 902 | 955,902 |
| United Air Lines, Inc., 12.75%, 7/15/12 | | 786 | 859,320 |
| | | | 2,916,297 |
| Auto Components | 1.5% | | |
| B-Corp Merger Sub, Inc., 8.25%, 6/01/19 (a)(e) | | 170 | 171,912 |
| Delphi Corp., 6.13%, 5/15/21 (a) | | 560 | 560,000 |
| Icahn Enterprises LP: | | | |
| 7.75%, 1/15/16 | | 320 | 328,800 |
| 8.00%, 1/15/18 | | 5,260 | 5,417,800 |
| Pittsburgh Glass Works LLC, 8.50%, 4/15/16 (a) | | 260 | 269,750 |

Portfolio Abbreviations

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

| | |
|-----|-------------------|
| CAD | Canadian Dollar |
| EUR | Euro |
| FKA | Formerly Known As |
| GBP | British Pound |
| USD | US Dollar |

Schedule of Investments (continued)

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

| | | Par (000) | Value |
|--|-----|--------------|-----------|
| Corporate Bonds | | | |
| Auto Components (concluded) | | | |
| Venture Holdings Co. LLC (c)(f): | | | |
| 12.00%, 6/01/09 | USD | 4,450 | \$ 445 |
| Series B, 9.50%, 7/01/05 | | 1,800 | 180 |
| | | | 6,748,887 |
| Beverages 0.1% | | | |
| Crown European Holdings SA, 7.13%, 8/15/18 (a) | EUR | 410 | 616,582 |
| Biotechnology 0.1% | | | |
| QHP Pharma, 10.25%, 3/15/15 (a) | USD | 362 | 369,109 |
| Building Products 0.8% | | | |
| Associated Materials LLC, 9.13%, 11/01/17 (a) | | 370 | 382,487 |
| Building Materials Corp. of America (a): | | | |
| 7.00%, 2/15/20 | | 940 | 982,300 |
| 6.75%, 5/01/21 | | 790 | 795,925 |
| Momentive Performance Materials, Inc., 9.00%, 1/15/21 (a) | | 1,445 | 1,546,150 |
| | | | 3,706,863 |
| Capital Markets 0.7% | | | |
| American Capital Ltd., 7.96%, 12/31/13 (g) | | 1,175 | 1,208,276 |
| E*Trade Financial Corp.: | | | |
| 12.50%, 11/30/17 (h) | | 230 | 276,575 |
| 4.01%, 8/31/19 (a)(i)(j) | | 593 | 906,549 |
| KKR Group Finance Co., 6.38%, 9/29/20 (a) | | 540 | 576,079 |
| | | | 2,967,479 |
| Chemicals 4.2% | | | |
| American Pacific Corp., 9.00%, 2/01/15 | | 1,490 | 1,460,200 |
| American Rock Salt Co. LLC, 8.25%, 5/01/18 (a) | | 224 | 226,800 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | | 570 | 582,825 |
| GEO Specialty Chemicals, Inc. (a): | | | |
| 7.50%, 3/31/15 (h)(i) | | 4,171 | 4,170,787 |
| 10.00%, 3/31/15 | | 4,106 | 3,797,680 |
| Hexion U.S. Finance Corp.: | | | |
| 8.88%, 2/01/18 | | 1,330 | 1,428,088 |
| 9.00%, 11/15/20 | | 670 | 720,250 |
| Huntsman International LLC, 8.63%, 3/15/21 | | 600 | 671,250 |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (a) | | 465 | 514,406 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (a) | | 725 | 733,156 |
| Wellman Holdings, Inc., Subordinate Note (h): | | | |
| | | 2,978 | 4,139,420 |

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(Second Lien), 10.00%,
1/29/19

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Chemicals (concluded) | | |
| Wellman Holdings, Inc., Subordinate Note (i) (concluded): (Third Lien), 5.00%, 1/29/19 (h) | USD 1,002 | \$ 711,478 |
| | | 19,156,340 |
| Commercial Banks 2.0% | | |
| CIT Group, Inc.: | | |
| 7.00%, 5/01/14 | 229 | 232,361 |
| 7.00%, 5/01/16 | 2,655 | 2,664,956 |
| 7.00%, 5/01/17 | 6,370 | 6,393,888 |
| | | 9,291,205 |
| Commercial Services & Supplies 1.0% | | |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a) | 842 | 873,127 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a) | 865 | 897,438 |
| The Geo Group, Inc., 7.75%, 10/15/17 | 850 | 911,625 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a) | 640 | 676,800 |
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (a) | 970 | 1,099,737 |
| West Corp., 8.63%, 10/01/18 (a) | 315 | 331,931 |
| | | 4,790,658 |
| Communications Equipment 0.5% | | |
| Avaya, Inc.: | | |
| 9.75%, 11/01/15 | 360 | 373,950 |
| 10.13%, 11/01/15 (h) | 1,070 | 1,112,800 |
| 7.00%, 4/01/19 (a) | 255 | 249,263 |
| EH Holding Corp., 6.50%, 6/15/19 (a)(e) | 600 | 606,750 |
| | | 2,342,763 |
| Construction Materials 0.2% | | |
| Nortek, Inc., 10.00%, 12/01/18 (a) | 880 | 915,200 |
| Consumer Finance 0.8% | | |
| Credit Acceptance Corp., 9.13%, 2/01/17 | 570 | 618,450 |
| Ford Motor Credit Co. LLC: | | |
| 3.03%, 1/13/12 (b) | 2,680 | 2,696,991 |
| 7.00%, 4/15/15 | 280 | 305,872 |
| 6.63%, 8/15/17 | 148 | 161,303 |
| | | 3,782,616 |
| Containers & Packaging 2.4% | | |
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (a) | EUR 485 | 717,157 |
| Ball Corp., 6.75%, 9/15/20 | USD 625 | 664,844 |
| Berry Plastics Corp.: | | |
| 8.25%, 11/15/15 | 2,100 | 2,252,250 |
| 9.75%, 1/15/21 | 1,145 | 1,146,431 |

Schedule of Investments (continued)

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

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Containers & Packaging (concluded) | | |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR 260 | \$ 368,554 |
| Smurfit Kappa Acquisitions: | | |
| 7.25%, 11/15/17 (a) | 830 | 1,233,272 |
| 7.75%, 11/15/19 | 2,300 | 3,450,601 |
| 7.75%, 11/15/19 (a) | 785 | 1,177,705 |
| | | 11,010,814 |
| Diversified Financial Services 3.5% | | |
| Ally Financial, Inc.: | | |
| 5.38%, 6/06/11 | USD 436 | 627,447 |
| 7.50%, 12/31/13 | 90 | 97,200 |
| 8.30%, 2/12/15 | 1,330 | 1,482,950 |
| 8.00%, 3/15/20 | 170 | 187,638 |
| 7.50%, 9/15/20 | 1,990 | 2,141,737 |
| 8.00%, 11/01/31 | 1,530 | 1,678,852 |
| 8.00%, 11/01/31 | 3,660 | 4,053,450 |
| Archimedes Funding III Ltd., 5.50%, 11/29/11 (a) | 2,636 | 711,696 |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16 | 665 | 733,163 |
| Reynolds Group DL Escrow, Inc. (a): | | |
| 8.50%, 10/15/16 | 1,130 | 1,209,100 |
| 8.50%, 10/15/16 | EUR 221 | 333,545 |
| Reynolds Group Issuer, Inc. (a): | | |
| 8.50%, 10/15/16 | 650 | 981,016 |
| 7.13%, 4/15/19 | USD 205 | 213,200 |
| 6.88%, 2/15/21 | 920 | 948,750 |
| 8.25%, 2/15/21 | 800 | 814,000 |
| | | 16,213,744 |
| Diversified Telecommunication Services 1.1% | | |
| ITC Deltacom, Inc., 10.50%, 4/01/16 | 1,010 | 1,090,800 |
| Level 3 Escrow, Inc., 8.13%, 7/01/19 (a)(e) | 920 | 929,200 |
| Level 3 Financing, Inc., 8.75%, 2/15/17 | 2,160 | 2,224,800 |
| tw telecom Holdings, Inc., 8.00%, 3/01/18 | 690 | 749,512 |
| | | 4,994,312 |
| Electric Utilities 0.2% | | |
| IPALCO Enterprises, Inc., 7.25%, 4/01/16 (a) | 775 | 869,938 |
| Electronic Equipment, Instruments & Components 0.2% | | |
| CDW LLC, 8.00%, 12/15/18 (a) | 820 | 879,450 |
| | 2,675 | 268 |

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Muzak Holdings, LLC, 13.00%,
3/15/10 (c)(f)

879,718

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Energy Equipment & Services 0.8% | | |
| Compagnie Generale de Geophysique-Veritas, 7.50%, 5/15/15 | USD 155 | \$ 158,875 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 1,190 | 1,261,400 |
| Key Energy Services, Inc., 6.75%, 3/01/21 | 740 | 749,250 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 950 | 957,125 |
| Oil States International, Inc., 6.50%, 6/01/19 (a)(e) | 645 | 649,031 |
| | | 3,775,681 |
| Food & Staples Retailing 0.5% | | |
| BI-LO LLC, 9.25%, 2/15/19 (a) | 400 | 414,000 |
| Rite Aid Corp., 9.75%, 6/12/16 | 1,590 | 1,776,825 |
| | | 2,190,825 |
| Food Products 0.4% | | |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a) | 1,730 | 1,765,681 |
| JBS USA LLC, 7.25%, 6/01/21 (a) | 210 | 205,800 |
| | | 1,971,481 |
| Gas Utilities 0.1% | | |
| Targa Resources Partners LP, 6.88%, 2/01/21 (a) | 485 | 483,181 |
| Health Care Equipment & Supplies 0.5% | | |
| DJO Finance LLC: 10.88%, 11/15/14 | 1,270 | 1,371,600 |
| 7.75%, 4/15/18 (a) | 1,020 | 1,048,050 |
| | | 2,419,650 |
| Health Care Providers & Services 1.8% | | |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a) | 455 | 465,238 |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (a) | GBP 108 | 177,660 |
| HCA, Inc.: 7.88%, 2/15/20 | USD 1,210 | 1,330,244 |
| 7.25%, 9/15/20 | 265 | 288,850 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a) | 405 | 421,706 |
| Omnicare, Inc., 6.88%, 12/15/15 | 1,055 | 1,084,012 |
| Tenet Healthcare Corp.: 9.00%, 5/01/15 | 680 | 740,350 |
| 8.88%, 7/01/19 | 3,280 | 3,649,000 |
| | | 8,157,060 |
| Health Care Technology 1.0% | | |
| IMS Health, Inc., 12.50%, 3/01/18 (a) | 3,205 | 3,813,950 |

Schedule of Investments (continued)

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

| | Par (000) | Value |
|--|--------------|------------|
| Corporate Bonds | | |
| Health Care Technology (concluded) | | |
| MedAssets, Inc., 8.00%, 11/15/18 (a) | USD 620 | \$ 639,375 |
| | | 4,453,325 |
| Hotels, Restaurants & Leisure 1.2% | | |
| Caesars Entertainment Operating Co., Inc., 10.00%, 12/15/18 | 460 | 425,500 |
| Diamond Resorts Corp., 12.00%, 8/15/18 (a) | 1,040 | 1,120,600 |
| HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(c)(f) | 6,892 | 689 |
| HRP Myrtle Beach Operations LLC (a)(c)(f): | | |
| 7.38%, 4/01/12 | 5,000 | 500 |
| 11.89%, 4/01/13 | 5,000 | 500 |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a) | 609 | 548,100 |
| MGM Resorts International, 11.13%, 11/15/17 | 1,340 | 1,554,400 |
| Travelport LLC, 4.94%, 9/01/14 (b) | 2,160 | 1,879,200 |
| Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (c)(f) | 530 | 53 |
| | | 5,529,542 |
| Household Durables 1.0% | | |
| Beazer Homes USA, Inc.: 12.00%, 10/15/17 | 1,700 | 1,921,000 |
| 9.13%, 6/15/18 | 185 | 175,750 |
| Jarden Corp., 7.50%, 5/01/17 | 835 | 889,275 |
| Standard Pacific Corp.: 8.38%, 5/15/18 | 530 | 539,275 |
| 8.38%, 1/15/21 | 1,280 | 1,283,200 |
| | | 4,808,500 |
| IT Services 0.9% | | |
| Eagle Parent Canada, Inc., 8.63%, 5/01/19 (a) | 1,320 | 1,334,850 |
| First Data Corp.: 9.88%, 9/24/15 | 110 | 113,300 |
| 7.38%, 6/15/19 (a) | 1,480 | 1,505,900 |
| 12.63%, 1/15/21 (a) | 1,064 | 1,157,100 |
| | | 4,111,150 |
| Independent Power Producers & Energy Traders 2.6% | | |
| AES Corp., 9.75%, 4/15/16 | 805 | 931,787 |
| Calpine Corp., 7.50%, 2/15/21 (a) | 945 | 982,800 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 3,190 | 3,453,679 |
| | 2,515 | 2,735,460 |

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Energy Future Intermediate
Holding Co. LLC, 10.00%,
12/01/20

| | Par (000) | Value |
|---|--------------|--------------|
| Corporate Bonds | | |
| Independent Power Producers & Energy Traders (concluded) | | |
| NRG Energy, Inc., 7.63%, 1/15/18 (a) | USD 3,760 | \$ 3,797,600 |
| | | 11,901,326 |
| Industrial Conglomerates 1.6% | | |
| Sequa Corp. (a): | | |
| 11.75%, 12/01/15 | 2,850 | 3,049,500 |
| 13.50%, 12/01/15 (h) | 4,023 | 4,304,444 |
| | | 7,353,944 |
| Insurance 0.6% | | |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a) | | |
| | 1,749 | 1,888,920 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | | |
| | 700 | 730,266 |
| | | 2,619,186 |
| Machinery 0.3% | | |
| Navistar International Corp., 8.25%, 11/01/21 | | |
| | 310 | 340,613 |
| Titan International, Inc., 7.88%, 10/01/17 (a) | | |
| | 940 | 1,010,500 |
| | | 1,351,113 |
| Media 6.3% | | |
| CCH II LLC, 13.50%, 11/30/16 | | |
| | 1,300 | 1,547,000 |
| CCO Holdings LLC: | | |
| 7.25%, 10/30/17 | 510 | 530,400 |
| 7.88%, 4/30/18 | 1,075 | 1,139,500 |
| CSC Holdings, Inc., 8.50%, 4/15/14 | | |
| | 680 | 761,600 |
| Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a) | | |
| | 1,405 | 1,334,750 |
| Checkout Holding Corp., 10.69%, 11/15/15 (a)(j) | | |
| | 1,425 | 936,938 |
| Clear Channel Worldwide Holdings, Inc.: | | |
| 9.25%, 12/15/17 | 639 | 696,510 |
| Series B, 9.25%, 12/15/17 | 5,422 | 5,923,535 |
| DISH DBS Corp.: | | |
| 7.00%, 10/01/13 | 3,000 | 3,232,500 |
| 6.75%, 6/01/21 (a) | 650 | 656,500 |
| Interactive Data Corp., 10.25%, 8/01/18 (a) | | |
| | 1,715 | 1,907,937 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | | |
| | 1,040 | 1,082,900 |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a) | | |
| | 1,020 | 1,101,600 |
| Nielsen Finance LLC: | | |
| 11.63%, 2/01/14 | 1,239 | 1,458,922 |
| 7.75%, 10/15/18 (a) | 1,235 | 1,324,538 |
| ProQuest LLC, 9.00%, 10/15/18 (a) | | |
| | 415 | 430,044 |
| Regal Entertainment Group, 9.13%, 8/15/18 | | |
| | 640 | 680,000 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | | |
| | 3,000 | 3,187,500 |

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Schedule of Investments (continued)

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

| | Par (000) | Value |
|--|--------------|------------|
| Corporate Bonds | | |
| Media (concluded) | | |
| Ziggo Finance BV, 6.13%, 11/15/17 (a) | EUR 655 | \$ 947,323 |
| | | 28,879,997 |
| Metals & Mining 1.8% | | |
| Drummond Co., Inc., 9.00%, 10/15/14 (a) | USD 1,056 | 1,108,800 |
| FMG Resources August 2006 Property Ltd., 7.00%, 11/01/15 (a) | 2,070 | 2,152,800 |
| JMC Steel Group, 8.25%, 3/15/18 (a) | 630 | 650,475 |
| Novelis, Inc., 8.75%, 12/15/20 (a) | 3,855 | 4,259,775 |
| RathGibson, Inc., 11.25%, 2/15/14 (c)(f) | 4,440 | 444 |
| | | 8,172,294 |
| Multiline Retail 0.4% | | |
| Dollar General Corp., 11.88%, 7/15/17 (h) | 1,775 | 2,027,938 |
| Oil, Gas & Consumable Fuels 6.8% | | |
| Alpha Natural Resources, Inc. (e): | | |
| 6.00%, 6/01/19 | 585 | 588,656 |
| 6.25%, 6/01/21 | 730 | 742,775 |
| Arch Coal, Inc., 7.25%, 10/01/20 | 1,530 | 1,614,150 |
| Chesapeake Energy Corp.: | | |
| 6.63%, 8/15/20 | 2,147 | 2,257,034 |
| 6.13%, 2/15/21 | 1,100 | 1,119,250 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a) | 436 | 473,060 |
| Consol Energy, Inc.: | | |
| 8.25%, 4/01/20 | 1,750 | 1,942,500 |
| 6.38%, 3/01/21 (a) | 820 | 828,200 |
| Crosstex Energy LP, 8.88%, 2/15/18 | 100 | 108,500 |
| Denbury Resources, Inc.: | | |
| 9.75%, 3/01/16 | 925 | 1,040,625 |
| 8.25%, 2/15/20 | 670 | 740,350 |
| 6.38%, 8/15/21 | 570 | 577,125 |
| El Paso Corp., 7.00%, 6/15/17 | 1,575 | 1,826,038 |
| Energy Transfer Equity LP, 7.50%, 10/15/20 | 240 | 261,600 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 (a) | 1,300 | 1,306,500 |
| Forest Oil Corp., 8.50%, 2/15/14 | 470 | 520,525 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (a) | 2,165 | 2,284,075 |
| Linn Energy LLC: | | |
| 8.63%, 4/15/20 | 1,115 | 1,220,925 |
| 7.75%, 2/01/21 (a) | 2,165 | 2,284,075 |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 | 1,600 | 1,720,000 |

Schedule of Investments (continued)

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

| | Par (000) | Value |
|---|--------------|--------------------|
| Corporate Bonds | | |
| Road & Rail (concluded) | | |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) | USD 370 | \$ 385,725 |
| The Hertz Corp. (a): | | |
| 7.50%, 10/15/18 | 1,750 | 1,837,500 |
| 6.75%, 4/15/19 | 730 | 737,300 |
| 7.38%, 1/15/21 | 810 | 838,350 |
| | | 5,669,306 |
| Specialty Retail 0.3% | | |
| United Auto Group, Inc., 7.75%, 12/15/16 | 1,275 | 1,313,250 |
| Textiles, Apparel & Luxury Goods 0.1% | | |
| Phillips-Van Heusen Corp., 7.75%, 11/15/23 | 410 | 458,863 |
| Transportation Infrastructure 0.1% | | |
| Aguila 3 SA, 7.88%, 1/31/18 (a) | 353 | 360,943 |
| Wireless Telecommunication Services 2.5% | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 3,050 | 3,240,625 |
| Digicel Group Ltd. (a): | | |
| 9.13%, 1/15/15 | 3,948 | 4,076,310 |
| 8.25%, 9/01/17 | 810 | 850,500 |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (a) | 980 | 982,450 |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 815 | 822,131 |
| Sprint Capital Corp.: | | |
| 8.38%, 3/15/12 | 625 | 654,688 |
| 6.88%, 11/15/28 | 1,010 | 979,700 |
| | | 11,606,404 |
| Total Corporate Bonds 58.5% | | 269,555,829 |

Floating Rate Loan Interests (b)**Aerospace & Defense 0.5%**

| | | |
|---|-------|-----------|
| Hawker Beechcraft Acquisition Co., LLC: Letter of Credit Linked Deposit, 2.31%, 3/26/14 | 53 | 46,618 |
| Term Loan, B.19%, 3/26/14 | 939 | 823,769 |
| TransDigm, Inc., Term Loan (First Lien), 4.00% - 5.25%, 2/14/17 | 1,496 | 1,501,861 |
| | | 2,372,248 |

Airlines 0.7%

| | | |
|---|-------|-----------|
| Delta Air Lines, Inc.: | | |
| Credit New Term Loan B, 5.50%, 4/20/17 | 3,000 | 2,968,125 |

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

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| | | Par (000) | | |
|--|-----|--------------|----|-----------|
| Auto Components 0.9% | | | | |
| Allison Transmission, Inc., Term Loan, 2.96%, 8/07/14 | USD | 2,142 | \$ | 2,126,135 |
| Armored Auto Group, Inc. (FKA Viking Acquisition, Inc.), Term Loan B, 6.00%, 11/04/16 | | 1,815 | | 1,815,450 |
| | | | | 3,941,585 |
| Biotechnology 0.2% | | | | |
| Grifols SA, Term Loan B, 6.00%, 11/23/16 | | 905 | | 911,976 |
| Building Products 1.6% | | | | |
| CPG International I, Inc., Term Loan B, 6.00%, 2/18/17 | | 1,197 | | 1,199,245 |
| Goodman Global, Inc.: Initial Term Loan (First Lien), 5.75%, 10/28/16 | | 3,234 | | 3,253,495 |
| Term Loan (Second Lien), 9.00%, 10/30/17 | | 1,200 | | 1,235,700 |
| Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2B Term Loan, 4.45%, 5/05/15 | EUR | 1,067 | | 1,511,024 |
| | | | | 7,199,464 |
| Capital Markets 1.0% | | | | |
| HarbourVest Partners, Term Loan, 6.25%, 12/14/16 | USD | 1,896 | | 1,905,103 |
| Nuveen Investments, Inc.: Extended Term Loan (First Lien), 3.27%, 11/13/14 | | 968 | | 952,295 |
| Non-Extended Term Loan (First Lien), 5.76%, 5/13/17 | | 1,682 | | 1,688,220 |
| | | | | 4,545,618 |
| Chemicals 4.7% | | | | |
| AZ Chemical Inc., Term Loan B, 4.75%, 11/21/16 | | 1,065 | | 1,069,344 |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/19/17 | | 2,270 | | 2,282,769 |
| Chemtura Corp., Exit Term Loan, 5.50%, 8/27/16 | | 1,300 | | 1,306,500 |
| Gentek, Inc., Tranche B Term Loan, 6.75%, 3/03/17 | | 2,562 | | 2,564,259 |
| MDI Holdings, LLC (FKA MacDermid, Inc.), Tranche C Term Loan, 3.43%, 4/11/14 | EUR | 650 | | 916,335 |
| Nexeo Solutions, LLC, Term Loan B, 5.00%, 9/08/17 | USD | 1,625 | | 1,624,493 |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term Loan Facility (First Lien), 3.53%, 7/30/14 | | 2,266 | | 2,210,351 |
| Styron Sarl, Term Loan B, 6.00%, 8/02/17 | | 2,793 | | 2,807,962 |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 10/15/15 | | 4,454 | | 4,485,384 |

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) | | |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | USD 2,394 | \$ 2,392,717 |
| | | 21,660,114 |
| Commercial Banks 0.4% | | |
| CIT Group Inc., Tranche 3 Term Loan, 6.25%, 8/11/15 | 1,792 | 1,809,520 |
| Commercial Services & Supplies 2.5% | | |
| ARAMARK Corp.: | | |
| Letter of Credit - 1 Facility, 2.12%, 1/27/14 | 28 | 27,160 |
| Letter of Credit - 2 Facility, 3.49%, 7/26/16 | 29 | 28,764 |
| US Term Loan, 2.18%, 1/27/14 | 342 | 337,153 |
| US Term Loan B, 3.56%, 7/26/16 | 438 | 437,383 |
| AWAS Finance Luxembourg Sarl, Loan B, 7.75%, 6/10/16 | 813 | 828,645 |
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan B, 5.00%, 5/19/17 | 2,400 | 2,407,200 |
| Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/21/15 | 2,978 | 3,001,692 |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16 | 975 | 976,741 |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/14/16 | 943 | 942,090 |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.20%, 4/02/14 | 881 | 830,335 |
| Volume Services America, Inc. (Centerplate), Term Loan B, 10.50%, 9/16/16 | 1,791 | 1,802,194 |
| | | 11,619,357 |
| Communications Equipment 1.3% | | |
| Avaya, Inc.: | | |
| Term Loan B, 3.01%, 10/26/14 | 1,837 | 1,772,396 |
| Term Loan B-3, 4.76%, 10/26/17 | 2,943 | 2,864,353 |
| CommScope, Inc., Term Loan B, 5.00%, 1/14/18 | 1,500 | 1,507,500 |
| | | 6,144,249 |
| Construction & Engineering 0.8% | | |
| BakerCorp., Inc., Term Loan B, 5.00%, 6/08/17 | 1,100 | 1,102,750 |
| Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/16/17 | 2,750 | 2,750,000 |

3,852,750

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Consumer Finance 0.9% | | |
| Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/05/17 | USD 4,250 | \$ 4,243,362 |
| Containers & Packaging 0.4% | | |
| Berry Plastics Holding Corp., Term Loan C, 2.23%, 4/03/15 | 340 | 327,056 |
| Graham Packaging Co., LP, Term Loan D, 6.00%, 9/23/16 | 1,692 | 1,696,189 |
| | | 2,023,245 |
| Diversified Consumer Services 2.7% | | |
| Coinmach Service Corp., Term Loan, 3.26%, 11/20/14 | 4,548 | 4,377,192 |
| Laureate Education: Closing Date Term Loan, 3.52%, 8/17/14 | 710 | 704,173 |
| Delayed Draw Term Loan, 3.52%, 8/17/14 | 106 | 105,433 |
| Series A New Term Loan, 7.00%, 8/31/14 | 4,317 | 4,328,198 |
| ServiceMaster Co.: Closing Date Term Loan, 2.81%, 7/24/14 | 2,659 | 2,593,492 |
| Delayed Draw Term Loan, 2.75%, 7/24/14 | 265 | 258,273 |
| | | 12,366,761 |
| Diversified Financial Services 0.7% | | |
| Reynolds Group Holdings, Inc., Term Loan E, 4.25%, 2/09/18 | 3,000 | 2,998,125 |
| Diversified Telecommunication Services 0.8% | | |
| Hawaiian Telcom Communications, Inc., Term Loan, 9.00%, 11/01/15 | 3,618 | 3,711,139 |
| Electrical Equipment 0.1% | | |
| Generac Acquisition Corp., Term Loan (First Lien), 2.71%, 11/11/13 | 297 | 295,028 |
| Electronic Equipment, Instruments & Components 1.2% | | |
| Aeroflex Inc., Term Loan B, 4.25%, 5/09/18 | 1,800 | 1,800,000 |
| CDW LLC (FKA CDW Corp.): Extended Term Loan B, 4.50%, 7/14/17 | 1,781 | 1,774,799 |
| Non-Extended Term Loan, 3.95%, 10/10/14 | 2,114 | 2,106,934 |
| | | 5,681,733 |

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) | | | | |
| Energy Equipment & Services 0.6% | | | | |
| MEG Energy Corp., Tranche D Term Loan, 4.00%, 3/16/18 | USD | 2,700 | \$ | 2,705,484 |
| Food & Staples Retailing 2.1% | | | | |
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.59%, 7/05/15 | GBP | 3,000 | | 4,811,623 |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan, 4.25%, 3/30/18 | USD | 1,500 | | 1,505,157 |
| U.S. Foodservice, Inc.: | | | | |
| Term Loan B, 2.70%, 7/03/14 | | 2,203 | | 2,085,665 |
| Term Loan 2, 5.75%, 5/25/17 | | 1,300 | | 1,278,333 |
| | | | | 9,680,778 |
| Food Products 3.4% | | | | |
| Advance Pierre Foods, Term Loan, (Second Lien): | | | | |
| 7.00%, 9/30/16 | | 2,886 | | 2,901,131 |
| 11.25%, 9/29/17 | | 1,800 | | 1,829,250 |
| Del Monte Corp., Term Loan B, 4.50%, 3/08/18 | | 5,050 | | 5,048,389 |
| Green Mountain Coffee Roasters, Inc., Term B Facility, 5.50%, 12/16/16 | | 433 | | 433,634 |
| Michaels Foods Group, Inc. (FKA M-Foods Holdings, Inc.), Term Loan B, 4.25%, 2/23/18 | | 1,160 | | 1,163,738 |
| Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14 | | 1,505 | | 1,519,590 |
| Solvest, Ltd. (Dole): | | | | |
| Tranche B-1 Term Loan, 5.50%, 3/02/17 | | 776 | | 779,141 |
| Tranche C-1 Term Loan, 5.00%, 3/02/17 | | 1,926 | | 1,934,084 |
| | | | | 15,608,957 |
| Health Care Equipment & Supplies 0.9% | | | | |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan, 3.19%, 5/20/14 | | 1,718 | | 1,705,185 |
| Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18 | | 2,600 | | 2,601,950 |
| | | | | 4,307,135 |
| Health Care Providers & Services 3.7% | | | | |
| CHS/Community Health Systems, Inc.: | | | | |
| Non-Extended Delayed Draw Term Loan, 2.50%, 7/25/14 | | 72 | | 69,965 |
| | | 1,426 | | 1,377,112 |

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| | | |
|--|-------|-----------|
| Non-Extended Term Loan, 2.50%, 7/25/14 | | |
| ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/22/16 | 1,297 | 1,299,992 |
| DaVita, Inc., Term Loan B, 4.50%, 10/20/16 | 1,995 | 2,006,222 |

| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Health Care Providers & Services (concluded) | | |
| Emergency Medical Services, Term Loan, 5.25%, 5/02/18 | USD 2,000 | \$ 1,995,358 |
| HCA, Inc.: | | |
| Tranche A-1 Term Loan, 1.56%, 11/19/12 | 1,329 | 1,321,455 |
| Tranche B-1 Term Loan, 2.56%, 11/18/13 | 245 | 243,570 |
| Harden Healthcare, Inc.: | | |
| Tranche A Additional Term Loan, 7.75%, 3/02/15 | 2,459 | 2,409,756 |
| Tranche A Term Loan, 8.50%, 3/02/15 | 703 | 689,359 |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 4.75%, 8/04/16 | 3,019 | 3,024,185 |
| Renal Advantage Holdings, Inc., Tranche B Term Loan, 5.75%, 12/16/16 | 1,297 | 1,304,044 |
| Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 | 1,401 | 1,400,073 |
| | | 17,141,091 |
| Health Care Technology 0.7% | | |
| IMS Health, Inc., Tranche B Dollar Term Loan, 4.50%, 8/25/17 | 2,180 | 2,184,175 |
| MedAssets, Inc., Term Loan B, 5.25% - 6.00%, 11/16/16 | 988 | 993,360 |
| | | 3,177,535 |
| Hotels, Restaurants & Leisure 5.4% | | |
| Blackstone UTP Capital LLC, Loan, 7.75%, 11/06/14 | 2,299 | 2,333,788 |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/23/17 | 2,893 | 2,894,558 |
| Gateway Casinos & Entertainment, Ltd., Term Loan B, 6.50%, 4/20/16 | CAD 1,097 | 1,135,352 |
| Golden Living, Term Loan, 5.00%, 5/04/18 | USD 2,100 | 2,066,400 |
| Harrah's Operating Co., Inc.: | | |
| Term Loan B-1, 3.27%, 1/28/15 | 1,424 | 1,324,661 |
| Term Loan B-2, 3.19%, 1/28/15 | 1,260 | 1,172,430 |
| Term Loan B-3, 3.30%, 1/28/15 | 5,729 | 5,331,371 |
| Term Loan B-4, 9.50%, 10/31/16 | 576 | 610,604 |
| | 2,481 | 2,489,404 |

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Seaworld Parks & Entertainment,
Inc. (FKA SW Acquisitions Co.,
Inc.), Term Loan B, 4.00%,
8/17/17

Six Flags Theme Parks, Inc.,
Tranche B Term Loan (First
Lien), 5.25%, 6/30/16

3,386

3,410,068

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2011

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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) | | |
| Hotels, Restaurants & Leisure (concluded) | | |
| VML US Finance LLC (FKA Venetian Macau): | | |
| New Project Term Loan, 4.70%, 5/27/13 | USD 888 | \$ 885,967 |
| Term B Delayed Draw Project Loan, 4.70%, 5/25/12 | 1,044 | 1,043,537 |
| Term B Funded Project Loan, 4.70%, 5/27/13 | 181 | 180,700 |
| | | 24,878,840 |
| Household Durables 0.3% | | |
| Visant Corp. (FKA Jostens), Term Loan B, 5.25%, 12/22/16 | 1,476 | 1,474,585 |
| IT Services 3.4% | | |
| Ceridian Corp., US Term Loan, 3.19%, 11/10/14 | 3,077 | 2,990,657 |
| First Data Corp.: Extended Term Loan B, 4.19%, 3/23/18 | 6,585 | 6,142,409 |
| Initial Tranche B-1 Term Loan, 2.94%, 9/24/14 | 147 | 137,138 |
| Initial Tranche B-2 Term Loan, 2.94%, 9/24/14 | 449 | 419,911 |
| Initial Tranche B-3 Term Loan, 2.94%, 9/24/14 | 210 | 196,241 |
| infoGROUP, Inc., Term Loan, 5.75%, 5/22/18 | 965 | 957,762 |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17 | 1,200 | 1,205,500 |
| TransUnion LLC, Replacement Term Loan, 4.75%, 2/12/18 | 3,730 | 3,742,827 |
| | | 15,792,445 |
| Independent Power Producers & Energy Traders 1.8% | | |
| AES Corp., Term Loan B, 4.00%, 5/17/18 | 1,800 | 1,798,314 |
| Calpine Corp., Term Loan B, 4.50%, 4/02/18 | 3,100 | 3,106,200 |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-1 Term Loan, 4.71%, 10/10/17 | 250 | 197,250 |
| Initial Tranche B-2 Term Loan, 3.73%, 10/10/14 | 2,155 | 1,834,592 |
| Initial Tranche B-3 Term Loan, 3.73%, 10/10/14 | 1,442 | 1,227,624 |
| | | 8,163,980 |
| Industrial Conglomerates 0.8% | | |
| Sequa Corp., Term Loan, 3.50%, 12/03/14 | 1,393 | 1,375,327 |
| | 2,460 | 2,466,029 |

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Tomkins Plc, Term Loan B, 4.25%,
9/29/16

3,841,356

| Floating Rate Loan Interests (b) | Par (000) | Value |
|---|--------------|--------------|
| Internet & Catalog Retail 0.2% | | |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | USD 1,025 | \$ 1,023,667 |
| Leisure Equipment & Products 0.4% | | |
| EB Sports Corp., Loan, 11.50%, 12/31/15 | 1,641 | 1,640,925 |
| Media 10.5% | | |
| Acosta, Inc., Term Loan, 4.75%, 3/01/18 | 1,800 | 1,801,800 |
| Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/10/16 | 990 | 989,262 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning): Term Loan, 2.44%, 7/03/14 | 1,244 | 1,157,868 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 1,263 | 1,263,590 |
| Charter Communications Operating, LLC: | | |
| Term Loan B, 7.25%, 3/06/14 | 46 | 46,514 |
| Term Loan C, 3.56%, 9/06/16 | 2,677 | 2,677,993 |
| Clear Channel Communications, Inc., Term Loan B, 3.84%, 1/28/16 | 3,145 | 2,748,818 |
| Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11 | 6,303 | 2,363,538 |
| Getty Images, Inc., Initial Term Loan, 5.25%, 11/07/16 | 3,240 | 3,258,084 |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 6.03%, 6/12/14 | 2,358 | 2,221,565 |
| Hubbard Broadcasting, Second Lien Term Loan B, 5.25%, 4/28/17 | 1,100 | 1,106,875 |
| Intelsat Jackson Holdings S A (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 4/02/18 | 8,000 | 8,045,552 |
| Interactive Data Corp., Term Loan, 4.75%, 2/12/18 | 1,700 | 1,704,240 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): | | |
| Facility B1, 3.68%, 3/06/15 | EUR 304 | 398,651 |
| Facility C1, 3.93%, 3/04/16 | 608 | 797,302 |
| Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | USD 985 | 987,463 |
| Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | 4,250 | 4,515,625 |
| Sinclair Television Group, Inc., New Tranche B Term Loan, 4.00%, 10/28/16 | 1,318 | 1,317,883 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 6/30/15 | EUR 1,900 | 2,747,960 |
| | USD 1,926 | 1,902,459 |

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Sunshine Acquisition Ltd. (FKA HIT
Entertainment), Term Facility,
5.52%, 6/01/12

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2011

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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) | | | | |
| Media (concluded) | | | | |
| UPC Broadband Holding B.V., Term U, 5.24%, 12/31/17 | EUR | 1,246 | \$ | 1,788,611 |
| Univision Communications, Inc., Extended First Lien Term Loan, 4.44%, 3/31/17 | USD | 2,677 | | 2,584,599 |
| Weather Channel, Term Loan B, 4.25%, 2/13/17 | | 1,696 | | 1,704,936 |
| | | | | 48,131,188 |
| Metals & Mining 1.8% | | | | |
| Novelis Inc., Term Loan, 4.00%, 3/10/17 | | 3,142 | | 3,154,891 |
| Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18 | | 5,100 | | 5,110,430 |
| | | | | 8,265,321 |
| Multi-Utilities 0.1% | | | | |
| FirstLight Power Resources, Inc. (FKA NE Energy, Inc.), Term B Advance (First Lien), 2.81%, 11/01/13 | | 421 | | 416,258 |
| Multiline Retail 1.4% | | | | |
| Dollar General Corp., Tranche B-2 Term Loan, 2.94%, 7/07/14 | | 1,439 | | 1,435,032 |
| Hema Holding BV: | | | | |
| Facility B, 3.25%, 7/06/15 | EUR | 369 | | 527,318 |
| Facility C, 4.00%, 7/05/16 | | 369 | | 527,318 |
| Facility D, 6.25%, 1/05/17 | | 2,900 | | 4,121,221 |
| | | | | 6,610,889 |
| Oil, Gas & Consumable Fuels 0.9% | | | | |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | USD | 3,981 | | 4,040,278 |
| Paper & Forest Products 0.9% | | | | |
| Verso Paper Finance Holdings LLC, Term Loan with PIK Option 6.52%, 2/01/13 (h) | | 4,424 | | 3,981,913 |
| Personal Products 0.1% | | | | |
| NBTY, Inc., Term Loan B, 4.25%, 10/02/17 | | 381 | | 380,772 |
| Pharmaceuticals 1.1% | | | | |
| Axcan Pharma, Inc., Term Loan, 5.50%, 2/10/17 | | 1,796 | | 1,786,522 |
| Quintiles Transnational Corp., Term Loan, 5.75%, 6/08/18 | | 1,150 | | 1,142,094 |
| Warner Chilcott Corp.: | | | | |
| Term Loan B-1, 4.25%, 3/15/18 | | 960 | | 961,794 |
| Term Loan B-2, 4.25%, 3/15/18 | | 480 | | 480,897 |
| Term Loan B-3, 4.25%, 3/15/18 | | 660 | | 661,279 |

5,032,586

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Professional Services 0.8% | | |
| Booz Allen Hamilton, Inc., Tranche B Term Loan, 4.00%, 8/03/17 | USD 1,650 | \$ 1,657,366 |
| Fifth Third Processing Solutions, LLC, Term Loan B (First Lien), 4.75%, 11/03/16 | 2,095 | 2,095,797 |
| | | 3,753,163 |
| Real Estate Investment Trusts (REITs) 1.0% | | |
| iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13 | 4,429 | 4,405,899 |
| Real Estate Management & Development 1.3% | | |
| Realogy Corp.: | | |
| Extended Synthetic Letter of Credit Loan, 4.64%, 10/10/16 | 671 | 623,729 |
| Extended Term Loan B, 4.52%, 10/10/16 | 5,956 | 5,535,820 |
| | | 6,159,549 |
| Semiconductors & Semiconductor Equipment 0.4% | | |
| Freescale Semiconductor, Inc., Extended Maturity Term Loan, 4.46%, 12/01/16 | 733 | 729,765 |
| Microsemi Corp., Term Loan B, 4.00%, 11/02/17 | 1,297 | 1,301,072 |
| | | 2,030,837 |
| Software 0.1% | | |
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/09/16 | 481 | 480,719 |
| Specialty Retail 3.2% | | |
| Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/18/17 | 1,421 | 1,420,727 |
| General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18 | 2,175 | 2,176,631 |
| J. Crew Group, Inc., Term Loan B, 4.75%, 3/07/18 | 655 | 642,105 |
| Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/16/18 | 800 | 791,400 |
| Michaels Stores, Inc.: | | |
| Term Loan B-1, 2.56%, 10/31/13 | 980 | 967,428 |
| Term Loan B-2, 4.81%, 7/31/16 | 502 | 503,560 |
| Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17 | 2,708 | 2,705,232 |
| Sensata Technologies Finance Company, LLC, New Term Loan, 4.00%, 5/11/18 | 2,760 | 2,764,024 |
| Toys R Us Delaware, Inc.: Initial Loan, 4.25%, 9/01/16 | 1,727 | 1,729,338 |

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) | | |
| Specialty Retail (concluded) | | |
| Term Loan B, 5.25%, 6/14/18 | USD 1,150 | \$ 1,140,214 |
| | | 14,840,659 |

Wireless Telecommunication Services 1.6%

| | | |
|--|-------|-------------|
| MetroPCS Wireless, Inc., Term Loan B, 4.00%, 3/16/18 | 1,496 | 1,489,393 |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 8/11/15 | 5,694 | 5,865,143 |
| | | 7,354,536 |
| Total Floating Rate Loan Interests 70.3% | | 323,665,744 |

| | Beneficial Interest (000) | |
|---|---------------------------------|-----------|
| Other Interests (k) | | |
| Auto Components 0.0% | | |
| Intermet Liquidating Trust Class A | 833 | 8 |
| Diversified Financial Services 0.3% | | |
| J.G. Wentworth LLC Preferred Equity Interests (l) | 1 | 1,320,018 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets, Inc. | 1,440 | 14 |
| Household Durables 0.4% | | |
| Stanley Martin, Class B Membership Units (l) | 2 | 1,764,459 |
| Media 0.0% | | |
| Adelphia Escrow | 7,500 | 75 |
| Adelphia Preferred Escrow | 5 | 0 |
| Adelphia Recovery Trust | 9,406 | 941 |
| Adelphia Recovery Trust, Series ACC-6B INT | 500 | 50 |
| | | 1,066 |
| Metals & Mining 0.5% | | |
| RathGibson Acquisition Corp. LLC (l) | 280 | 2,459,747 |
| Specialty Retail 0.0% | | |
| Movie Gallery, Inc. Default Escrow | 21,700 | 217 |
| Total Other Interests 1.2% | | 5,545,529 |

| | Shares | Value |
|--|---------|-------|
| Warrants (l) | | |
| Health Care Providers & Services 0.0% | | |
| HealthSouth Corp. (Expires 1/16/14) | 126,761 | \$ 1 |
| Hotels, Restaurants & Leisure 0.0% | | |

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| | | |
|--|-----------|----------------|
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14) | 1,216 | 12 |
| Media 0.0% | | |
| Charter Communications, Inc. (Expires 11/30/14) | 12,661 | 164,593 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17) | 1,247 | 13 |
| HMH Holdings/EduMedia (Expires 3/09/17) | 24,924 | 13 |
| Total Warrants 0.0% | | 164,619 |
| Total Long-Term Investments (Cost \$673,107,164) 135.2% | | 621,201,445 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (n)(o) | 2,969,926 | 2,969,926 |
| Total Short-Term Securities (Cost \$2,969,926) 0.7% | | 2,969,926 |
| Total Investments (Cost \$676,077,090*) 135.5% | | 624,171,371 |
| Liabilities in Excess of Other Assets (35.5)% | | (163,431,899) |
| Net Assets 100.0% | | \$ 460,739,472 |

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2011

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Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 676,808,394 |
| Gross unrealized appreciation | \$ 28,182,237 |
| Gross unrealized depreciation | (80,111,263) |
| Net unrealized depreciation | \$ (51,929,026) |

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Restricted security as to resale. As of report date the Fund held less than 0.1% of its net assets, with a current market value of \$14,518 and an original cost of \$1,027, in this security.
- (e) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|-----------------------------|--------------|----------------------------|
| Citigroup Global Market | \$ 929,200 | \$ 15,971 |
| Credit Suisse International | \$ 649,031 | \$ 4,031 |
| Deutsche Bank Securities | \$ 606,750 | \$ 6,750 |
| JPMorgan Chase | \$ 3,290,552 | \$ 75,553 |
| Morgan Stanley Co. | \$ 1,503,343 | \$ 18,343 |

- (f) Issuer filed for bankruptcy and/or is in default of interest payments.
- (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 payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Convertible security.
- (j) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (l) The investment is held by a wholly-owned taxable subsidiary of the Fund.
- (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 period, 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 May 31, 2011 | Income |
|--|----------------------------------|--------------|-----------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 436,377 | 2,533,549 | 2,969,926 | \$ 1,197 |

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

Foreign currency exchange contracts as of May 31, 2011 were as follows:

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation Depreciation |
|--------------------|------------|---------------|------------|--------------|-----------------|--------------------------------------|
| USD | 1,204,735 | CAD | 1,158,000 | Citibank NA | 7/07/11 | \$ 10,549 |
| USD | 24,334,995 | EUR | 16,740,500 | UBS AG | 7/27/11 | 276,002 |
| USD | 4,997,378 | GBP | 3,056,500 | Citibank NA | 7/27/11 | (28,421) |
| Total | | | | | | \$ 258,130 |

Credit default swaps on single-name issues - buy protection outstanding as of May 31, 2011 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | National Amount (000) | Unrealized Depreciation |
|--------------------------------|----------------|-----------------------------|-----------------|-----------------------|-------------------------|
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs International | 9/20/13 | \$ 250 | \$ (499) |

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial reporting purposes as follows

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

The following tables summarize the inputs used as of May 31, 2011 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 | | \$ 3,116,332 | \$ 5,181,684 | \$ 8,298,016 |
| Common Stocks | \$ 1,673,703 | 4,558,717 | 7,739,288 | 13,971,708 |
| Corporate Bonds | | 255,474,034 | 14,081,795 | 269,555,829 |
| Floating Rate Loan Interests | | 281,268,758 | 42,396,986 | 323,665,744 |
| Other Interests | 991 | | 5,544,538 | 5,545,529 |
| Warrants | 164,593 | | 26 | 164,619 |
| Short-Term Securities | 2,969,926 | | | 2,969,926 |
| Liabilities: | | | | |
| Unfunded Loan Commitments | | | (3,688) | (3,688) |
| Total | \$ 4,809,213 | \$ 544,417,841 | \$ 74,940,629 | \$ 624,167,683 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|---------|------------|---------|------------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Foreign currency exchange contracts | | \$ 286,551 | \$ | \$ 286,551 |
| Liabilities: | | | | |
| Credit Contracts | | (499) | | (499) |
| Foreign currency exchange contracts | | (28,421) | | (28,421) |
| Total | \$ | \$ 257,631 | \$ | \$ 257,631 |

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

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

| | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Unfunded Loan Commitments | 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 | 17,242 | | 128,357 | 91,302 | | | | 236,901 |

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| | | | | | | | | |
|---|---------------------|---------------------|----------------------|----------------------|---------------------|--------------|-------------------|----------------------|
| Net realized gain (loss) | 62,231 | | 11,620 | 17,095 | | | | 90,946 |
| Net change in unrealized appreciation/depreciation ² | (89,889) | (3,693,464) | 1,313,280 | 3,502,875 | 787,466 | \$ | (3,688) | 1,816,580 |
| Purchases | 1,712,700 | 10,499,620 | | 2,529,820 | | | | 14,742,140 |
| Sales | (1,813,925) | | (148,500) | (12,743,255) | | | | (14,705,680) |
| Transfers in ³ | | 6,546 | | 7,600,945 | | | | 7,607,491 |
| Transfers out ³ | (1,100,000) | | | (9,355,452) | (5) | | | (10,455,457) |
| Balance, as of May 31, 2011 | \$ 5,181,684 | \$ 7,739,288 | \$ 14,081,795 | \$ 42,396,986 | \$ 5,544,538 | \$ 26 | \$ (3,688) | \$ 74,940,629 |

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2011

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Schedule of Investments (concluded)

BlackRock Debt Strategies Fund, Inc. (DSU)

² The change in unrealized appreciation/depreciation on securities still held on May 31, 2011 was \$(1,575,927).

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

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2011

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Item 2 Controls and Procedures

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

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

Item 3 Exhibits

Certifications Attached hereto

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

BlackRock Debt Strategies Fund, Inc.

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

Date: July 26, 2011

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

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

Date: July 26, 2011

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

Date: July 26, 2011