

BLACKROCK DEBT STRATEGIES FUND, INC.  
Form N-Q  
July 29, 2010  
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: Anne F. Ackerley, Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055.

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

Date of fiscal year end: 02/28/2011

Date of reporting period: 05/31/2010

Item 1 – Schedule of Investments

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Schedule of Investments May 31, 2010 (Unaudited)

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

| Common Stocks (a)                             | Shares    | Value      |
|---|-----------|------------|
| <b>Auto Components 0.1%</b>                   |           |            |
| Lear Corp.                                    | 6,842     | \$ 462,998 |
| <b>Building Products 0.4%</b>                 |           |            |
| Masonite Worldwide Holdings                   | 40,408    | 1,808,258  |
| Neenah Enterprises Inc.                       | 144,858   | 2,173      |
|   |           | 1,810,431  |
| <b>Chemicals 0.4%</b>                         |           |            |
| GEO Specialty Chemicals, Inc.                 | 339,340   | 130,272    |
| LyondellBasell Industries NV                  | 34,198    | 762,615    |
| LyondellBasell Industries NV,<br>Class B      | 31,314    | 554,258    |
| Wellman Holdings, Inc.                        | 5,373     | 269        |
|   |           | 1,447,414  |
| <b>Construction Materials 0.0%</b>            |           |            |
| Nortek, Inc.                                  | 2,970     | 133,650    |
| <b>Containers &amp; Packaging 1.7%</b>        |           |            |
| Smurfit Kappa Plc                             | 36,342    | 277,651    |
| Viskase Cos., Inc.                            | 1,428,423 | 7,070,694  |
|   |           | 7,348,345  |
| <b>Electrical Equipment 0.0%</b>              |           |            |
| Medis Technologies Ltd.                       | 286,757   | 11,470     |
| SunPower Corp., Class B                       | 4,892     | 56,699     |
|   |           | 68,169     |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b> |           |            |
| Buffets Restaurants Holdings, Inc.            | 2,753     | 17,069     |
| HRP Corp., Class B (b)(c)                     | 5,000     | 50         |
|   |           | 17,119     |
| <b>Metals &amp; Mining 0.1%</b>               |           |            |
| Euramax International                         | 2,337     | 467,460    |
| <b>Paper &amp; Forest Products 2.1%</b>       |           |            |
| Ainsworth Lumber Co. Ltd.                     | 1,162,719 | 4,065,760  |
| Ainsworth Lumber Co. Ltd. (b)                 | 1,335,501 | 4,669,939  |
| Western Forest Products, Inc. (b)             | 211,149   | 68,216     |

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|                                 |         |            |
|---------------------------------|---------|------------|
|                                 |         | 8,803,915  |
| <b>Software 0.4%</b>            |         |            |
| HMH Holdings/EduMedia           | 283,900 | 1,774,373  |
| <b>Specialty Retail 0.0%</b>    |         |            |
| Movie Gallery, Inc.             | 503,737 | 1,259      |
| <b>Total Common Stocks 5.2%</b> |         | 22,335,133 |

| Corporate Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Aerospace &amp; Defense 1.2%</b>                                  |              |              |
| Bombardier, Inc., 7.75%,<br>3/15/20 (b)                              | USD 1,750    | \$ 1,771,875 |
| Kratos Defense & Security<br>Solutions, Inc., 10.00%,<br>6/01/17 (b) | 1,160        | 1,148,400    |
| TransDigm, Inc., 7.75%,<br>7/15/14 (b)                               | 2,000        | 2,000,000    |
|  |              | 4,920,275    |

|   |       |           |
|---|-------|-----------|
| <b>Airlines 0.5%</b>                                |       |           |
| Delta Air Lines, Inc., Series B,<br>9.75%, 12/17/16 | 1,000 | 1,082,500 |
| United Air Lines, Inc., 12.75%,<br>7/15/12          | 800   | 850,000   |
|   |       | 1,932,500 |

|   |       |           |
|---|-------|-----------|
| <b>Auto Components 1.4%</b>                         |       |           |
| The Goodyear Tire & Rubber Co.,<br>8.63%, 12/01/11  | 900   | 924,750   |
| Icahn Enterprises LP (b):<br>7.75%, 1/15/16         | 1,500 | 1,410,000 |
| 8.00%, 1/15/18                                      | 4,080 | 3,835,200 |
| Venture Holdings Co. LLC (a)(d):<br>12.00%, 6/01/09 | 4,450 |           |
| Series B, 9.50%, 7/01/05 (e)                        | 1,800 | 180       |
|   |       | 6,170,130 |

|                                    |     |         |
|------------------------------------|-----|---------|
| <b>Biotechnology 0.1%</b>          |     |         |
| QHP Pharma, 10.25%,<br>3/15/15 (b) | 565 | 572,611 |

|  |       |           |
|--|-------|-----------|
| <b>Building Products 2.6%</b>                              |       |           |
| Building Materials Corp. of<br>America, 7.00%, 2/15/20 (b) | 1,300 | 1,287,000 |
| CPG International I, Inc.:<br>7.18%, 7/01/12 (f)           | 7,500 | 7,387,500 |
| 10.50%, 7/01/13  | 1,300 | 1,313,000 |
|  | 1,050 | 1,076,250 |

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Ply Gem Industries, Inc., 11.75%,  
6/15/13

|  |     |     |            |
|--|-----|-----|------------|
|  |     |     | 11,063,750 |
| <b>Capital Markets 0.4%</b>                          |     |     |            |
| E*Trade Financial Corp., 4.01%,<br>8/31/19 (b)(g)(h) |     | 593 | 848,731    |
| MU Finance Plc, 8.75%,<br>2/01/17 (b)                | GBP | 698 | 928,662    |
|  |     |     | 1,777,393  |

|   |     |       |           |
|---|-----|-------|-----------|
| <b>Chemicals 3.5%</b>                     |     |       |           |
| American Pacific Corp., 9.00%,<br>2/01/15 | USD | 1,490 | 1,458,337 |
| CF Industries, Inc., 6.88%,<br>5/01/18    |     | 1,475 | 1,476,844 |

**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                        |
| MSCI | Morgan Stanley Capital International |
| USD  | US Dollar                            |

## Schedule of Investments (continued)

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

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Chemicals (concluded)</b>                           |     |              |              |
| GEO Specialty Chemicals, Inc. (b):                     |     |              |              |
| 7.50%, 3/31/15 (g)                                     | USD | 4,171        | \$ 2,711,012 |
| 10.00%, 3/31/15  |     | 4,106        | 2,668,640    |
| Hexion Finance Escrow LLC,<br>8.88%, 2/01/18 (b)       |     | 620          | 573,500      |
| Hexion U.S. Finance Corp., 9.75%,<br>11/15/14          |     | 585          | 558,675      |
| Huntsman International LLC,<br>5.50%, 6/30/16 (b)      |     | 900          | 783,000      |
| LBI Escrow Corp., 8.00%,<br>11/01/17 (b)               |     | 1,600        | 1,628,000    |
| Wellman Holdings, Inc. (g):                            |     |              |              |
| Subordinate Note (Second<br>Lien), 10.00%, 1/29/19 (b) |     | 2,978        | 2,590,860    |
| Subordinate Note (Third Lien),<br>5.00%, 1/29/19 (c)   |     | 954          | 372,031      |
|  |     |              | 14,820,899   |
| <b>Commercial Banks 0.1%</b>                           |     |              |              |
| Glitnir Banki HF (a)(d):                               |     |              |              |
| 4.15%, 4/20/10 (b)                                     |     | 184          | 51,060       |
| 6.38%, 9/25/12 (b)                                     |     | 1,115        | 309,412      |
| Series EMTN, 5.07%, 1/27/10                            | EUR | 50           | 17,333       |
| Series EMTN, 3.00%, 6/30/10                            |     | 75           | 27,151       |
| Series GMTN, 4.38%, 2/05/10                            |     | 85           | 29,467       |
|  |     |              | 434,423      |
| <b>Commercial Services &amp; Supplies 1.0%</b>         |     |              |              |
| ACCO Brands Corp., 10.63%,<br>3/15/15                  | USD | 660          | 714,450      |
| Clean Harbors, Inc., 7.63%,<br>8/15/16                 |     | 1,200        | 1,230,000    |
| The Geo Group, Inc., 7.75%,<br>10/15/17 (b)            |     | 850          | 846,813      |
| RSC Equipment Rental, Inc.,<br>10.00%, 7/15/17 (b)     |     | 970          | 1,043,962    |
| West Corp., 9.50%, 10/15/14                            |     | 340          | 338,300      |
|  |     |              | 4,173,525    |
| <b>Construction Materials 0.7%</b>                     |     |              |              |
| Nortek, Inc., 11.00%, 12/01/13                         |     | 2,983        | 3,102,527    |

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**Consumer Finance 0.9%**

|  |       |           |
|--|-------|-----------|
| Credit Acceptance Corp., 9.13%,<br>2/01/17 (b)   | 570   | 575,700   |
| Ford Motor Credit Co. LLC, 3.05%,<br>1/13/12 (f) | 2,680 | 2,572,800 |
| Inmarsat Finance Plc, 7.38%,<br>12/01/17 (b)     | 725   | 723,188   |

3,871,688

**Containers & Packaging 3.0%**

|                            |       |           |
|----------------------------|-------|-----------|
| Ball Corp., 6.75%, 9/15/20 | 625   | 607,812   |
| Berry Plastics Corp.:      |       |           |
| 8.25%, 11/15/15            | 2,100 | 2,063,250 |
| 9.50%, 5/15/18 (b)         | 1,210 | 1,082,950 |

**Corporate Bonds**

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Containers &amp; Packaging (concluded)</b>                       |              |            |
| Berry Plastics Holding Corp.,<br>8.88%, 9/15/14                     | USD 305      | \$ 292,800 |
| Beverage Packaging Holdings<br>Luxembourg II SA, 8.00%,<br>12/15/16 | EUR 260      | 303,105    |
| Crown Americas LLC, 7.63%,<br>5/15/17 (b)                           | USD 710      | 713,550    |
| Graphic Packaging International,<br>Inc., 9.50%, 6/15/17            | 975          | 1,014,000  |
| Packaging Dynamics Finance<br>Corp., 10.00%, 5/01/16 (b)            | 1,920        | 1,644,000  |
| Smurfit Kappa Acquisitions (b):                                     |              |            |
| 7.25%, 11/15/17   | EUR 830      | 998,159    |
| 7.75%, 11/15/19   | 785          | 953,675    |
| Smurfit Kappa Funding Plc, 7.75%,<br>4/01/15                        | USD 3,325    | 3,237,719  |
|   |              | 12,911,020 |

**Diversified Financial Services 6.0%**

|  |           |           |
|--|-----------|-----------|
| Archimedes Funding III Ltd.,<br>5.50%, 11/29/11 (b)          | 5,421     | 3,252,699 |
| CIT Group, Inc.:   |           |           |
| 7.00%, 5/01/16   | 1,615     | 1,465,613 |
| 7.00%, 5/01/17   | 7,820     | 7,057,550 |
| FCE Bank Plc, 7.13%, 1/16/12                                 | EUR 3,250 | 3,968,278 |
| GMAC, Inc.:  |           |           |
| 7.25%, 3/02/11   | USD 58    | 58,218    |
| 5.38%, 6/06/11   | EUR 436   | 528,347   |
| 6.88%, 9/15/11   | USD 900   | 900,000   |
| 6.88%, 8/28/12   | 750       | 740,625   |
| 7.50%, 12/31/13  | 90        | 87,750    |
| 6.75%, 12/01/14  | 2,280     | 2,171,700 |
| 8.30%, 2/12/15 (b)   | 1,700     | 1,706,375 |
| 8.00%, 3/15/20 (b)   | 200       | 194,000   |
| 8.00%, 11/01/31  | 1,350     | 1,228,500 |
| Preferred Term Securities VI,<br>Ltd., 2.05%, 7/01/32 (a)(b) | 35        | 1,750     |
| Reynolds Group DL Escrow, Inc.,<br>7.75%, 10/15/16 (b)       | 1,625     | 1,608,750 |
|  | EUR 650   | 789,667   |

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Reynolds Group Issuer, Inc.,  
7.75%, 10/15/16 (b)

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25,759,822

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**Diversified Telecommunication Services 2.7%**

|  |     |       |           |
|--|-----|-------|-----------|
| Cincinnati Bell, Inc., 8.25%,<br>10/15/17                | USD | 1,600 | 1,508,000 |
| ITC Deltacom, Inc., 10.50%,<br>4/01/16 (b)               |     | 1,750 | 1,680,000 |
| New Communications Holdings,<br>Inc., 8.25%, 4/15/17 (b) |     | 2,915 | 2,885,850 |
| Nordic Telephone Co. Holdings<br>ApS, 8.88%, 5/01/16 (b) |     | 390   | 399,750   |
| Qwest Corp., 8.38%, 5/01/16                              |     | 4,000 | 4,340,000 |
| TW Telecom Holdings, Inc., 8.00%,<br>3/01/18 (b)         |     | 920   | 922,300   |

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11,735,900

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

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

| Corporate Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Electric Utilities 0.3%</b>                                 |              |              |
| NSG Holdings LLC, 7.75%,<br>12/15/25 (b)                       | USD 1,505    | \$ 1,346,975 |
| <b>Electronic Equipment, Instruments &amp; Components 0.0%</b> |              |              |
| Muzak Holdings, LLC, 13.00%,<br>3/15/10 (a)(d)                 | 2,675        | 268          |
| <b>Energy Equipment &amp; Services 0.5%</b>                    |              |              |
| Expro Finance Luxembourg SCA,<br>8.50%, 12/15/16 (b)           | 2,000        | 1,940,000    |
| <b>Food &amp; Staples Retailing 0.4%</b>                       |              |              |
| Rite Aid Corp., 9.75%, 6/12/16                                 | 1,590        | 1,687,388    |
| <b>Food Products 0.8%</b>                                      |              |              |
| B&G Foods, Inc., 7.63%, 1/15/18                                | 900          | 897,750      |
| Bumble Bee Foods LLC, 7.75%,<br>12/15/15 (b)                   | 730          | 726,350      |
| Smithfield Foods, Inc., 10.00%,<br>7/15/14 (b)                 | 1,850        | 1,980,656    |
|  |              | 3,604,756    |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>               |              |              |
| DJO Finance LLC, 10.88%,<br>11/15/14                           | 1,345        | 1,398,800    |
| <b>Health Care Providers &amp; Services 1.5%</b>               |              |              |
| American Renal Holdings, 8.38%,<br>5/15/18 (b)                 | 470          | 457,075      |
| DaVita, Inc., 7.25%, 3/15/15                                   | 980          | 975,100      |
| HCA, Inc., 7.25%, 9/15/20                                      | 770          | 768,075      |
| Tenet Healthcare Corp. (b):<br>9.00%, 5/01/15                  | 680          | 714,000      |
| 8.88%, 7/01/19   | 3,280        | 3,439,900    |
|  |              | 6,354,150    |
| <b>Health Care Technology 0.8%</b>                             |              |              |
| IMS Health, Inc., 12.50%,<br>3/01/18 (b)                       | 2,980        | 3,419,550    |
| <b>Hotels, Restaurants &amp; Leisure 1.1%</b>                  |              |              |
|  | 6,892        | 689          |



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|   |       |           |
|---|-------|-----------|
| HRP Myrtle Beach Holdings LLC,<br>14.50%, 4/01/14 (a)(b)(d)                 |       |           |
| HRP Myrtle Beach Operations<br>LLC (a)(b)(d):                               |       |           |
| 7.38%, 4/01/12  | 5,000 | 500       |
| 12.50%, 4/01/13   | 5,000 | 500       |
| Little Traverse Bay Bands of<br>Odawa Indians, 10.25%,<br>2/15/14 (a)(b)(d) | 2,560 | 848,000   |
| MGM Mirage:   |       |           |
| 13.00%, 11/15/13  | 345   | 393,300   |
| 11.13%, 11/15/17 (b)  | 1,340 | 1,450,550 |
| Travelport LLC, 5.16%,<br>9/01/14 (f)                                       | 2,160 | 2,008,800 |
| Tropicana Entertainment LLC,<br>Series WI, 9.63%, 12/15/14 (a)(d)           | 530   | 716       |
|   |       | 4,703,055 |

| Corporate Bonds                                     | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Household Durables 1.2%</b>                      |              |              |
| Beazer Homes USA, Inc., 12.00%,<br>10/15/17         | USD 1,700    | \$ 1,887,000 |
| K. Hovnanian Enterprises, Inc.,<br>10.63%, 10/15/16 | 2,245        | 2,295,512    |
| Standard Pacific Corp.:                             |              |              |
| 6.25%, 4/01/14                                      | 315          | 294,525      |
| 7.00%, 8/15/15                                      | 600          | 552,000      |
|   |              | 5,029,037    |

|   |       |           |
|---|-------|-----------|
| <b>IT Services 0.3%</b>                       |       |           |
| SunGard Data Systems, Inc.,<br>4.88%, 1/15/14 | 1,265 | 1,179,613 |

|  |       |            |
|--|-------|------------|
| <b>Independent Power Producers &amp; Energy Traders 2.6%</b> |       |            |
| The AES Corp., 8.75%, 5/15/13 (b)                            | 261   | 264,915    |
| AES Eastern Energy LP,<br>Series 99-B, 9.67%, 1/02/29        | 1,010 | 1,098,375  |
| Calpine Construction Finance Co.<br>LP, 8.00%, 6/01/16 (b)   | 1,750 | 1,767,500  |
| Energy Future Holdings Corp.:                                |       |            |
| 12.00%, 11/01/17 (c)   | 960   | 611,905    |
| 10.00%, 1/15/20 (b)  | 1,200 | 1,194,000  |
| NRG Energy, Inc.:  |       |            |
| 7.25%, 2/01/14   | 5,500 | 5,431,250  |
| 8.50%, 6/15/19   | 800   | 774,000    |
|  |       | 11,141,945 |

|                                      |       |           |
|--------------------------------------|-------|-----------|
| <b>Industrial Conglomerates 1.6%</b> |       |           |
| Sequa Corp. (b):                     |       |           |
| 11.75%, 12/01/15                     | 2,850 | 2,850,000 |
| 13.50%, 12/01/15 (c)                 | 4,023 | 4,098,273 |
|                                      |       | 6,948,273 |

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**Insurance 0.6%**

|  |       |           |
|--|-------|-----------|
| Alliant Holdings I, Inc., 11.00%,<br>5/01/15 (b) | 1,100 | 1,095,875 |
| USI Holdings Corp., 4.31%,<br>11/15/14 (b)(f)    | 1,630 | 1,304,000 |
|  |       | 2,399,875 |

**Leisure Equipment & Products 0.3%**

|  |       |           |
|--|-------|-----------|
| Brunswick Corp., 11.25%,<br>11/01/16 (b) | 1,225 | 1,372,000 |
|--|-------|-----------|

**Machinery 1.5%**

|  |       |           |
|--|-------|-----------|
| ESCO Corp., 4.13%,<br>12/15/13 (b)(f)            | 3,070 | 2,828,237 |
| Navistar International Corp.,<br>8.25%, 11/01/21 | 2,000 | 2,000,000 |
| Titan International, Inc., 8.00%,<br>1/15/12     | 1,530 | 1,602,675 |
|  |       | 6,430,912 |

**Media 6.9%**

|   |       |           |
|---|-------|-----------|
| Affinion Group, Inc., 10.13%,<br>10/15/13 | 2,835 | 2,884,612 |
| CCO Holdings LLC, 7.88%,<br>4/30/18 (b)   | 2,075 | 2,036,094 |

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Schedule of Investments (continued)

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

| Corporate Bonds                                |     | Par<br>(000) |    | Value      |
|--|-----|--------------|----|------------|
| <b>Media (concluded)</b>                       |     |              |    |            |
| CSC Holdings, Inc., 8.50%,<br>4/15/14 (b)      | USD | 680          | \$ | 707,200    |
| Clear Channel Worldwide<br>Holdings, Inc. (b): |     |              |    |            |
| Series A, 9.25%, 12/15/17                      |     | 639          |    | 646,988    |
| Series B, 9.25%, 12/15/17                      |     | 5,422        |    | 5,516,885  |
| DISH DBS Corp., 7.00%, 10/01/13                |     | 3,000        |    | 3,045,000  |
| Gannett Co., Inc., 9.38%,<br>11/15/17 (b)      |     | 1,015        |    | 1,063,213  |
| Intelsat Corp., 9.25%, 8/15/14                 |     | 4,500        |    | 4,578,750  |
| McClatchy Co., 11.50%,<br>2/15/17 (b)          |     | 1,355        |    | 1,361,775  |
| Nielsen Finance LLC, 11.63%,<br>2/01/14        |     | 1,925        |    | 2,059,750  |
| Seat Pagine Gialle SpA, 10.50%,<br>1/31/17 (b) | EUR | 1,077        |    | 1,242,336  |
| TL Acquisitions, Inc., 10.50%,<br>1/15/15 (b)  | USD | 1,795        |    | 1,628,962  |
| UPC Germany GmbH, 8.13%,<br>12/01/17 (b)       |     | 3,000        |    | 2,940,000  |
|  |     |              |    | 29,711,565 |
| <b>Metals &amp; Mining 1.0%</b>                |     |              |    |            |
| Aleris International, Inc. (a)(d):             |     |              |    |            |
| 9.00%, 12/15/14                                |     | 1,100        |    | 2,750      |
| 10.00%, 12/15/16                               |     | 1,500        |    | 10,275     |
| Murray Energy Corp., 10.25%,<br>10/15/15 (b)   |     | 790          |    | 786,050    |
| RathGibson, Inc., 11.25%,<br>2/15/14 (a)(d)    |     | 4,440        |    | 53,280     |
| Ryerson, Inc., 7.72%,<br>11/01/14 (f)(i)       |     | 3,595        |    | 3,347,844  |
|  |     |              |    | 4,200,199  |
| <b>Multiline Retail 0.8%</b>                   |     |              |    |            |
| Dollar General Corp.:                          |     |              |    |            |
| 10.63%, 7/15/15                                |     | 1,075        |    | 1,171,750  |
| 11.88%, 7/15/17 (c)                            |     | 1,775        |    | 2,014,625  |
|  |     |              |    | 3,186,375  |
| <b>Oil, Gas &amp; Consumable Fuels 3.0%</b>    |     |              |    |            |
| Arch Coal, Inc., 8.75%,<br>8/01/16 (b)         |     | 235          |    | 239,700    |

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|  |       |           |
|--|-------|-----------|
| Atlas Energy Operating Co. LLC:<br>12.13%, 8/01/17 | 1,440 | 1,598,400 |
| 10.75%, 2/01/18                                    | 355   | 376,300   |
| Coffeyville Resources LLC, 9.00%,<br>4/01/15 (b)   | 490   | 485,100   |
| Consol Energy, Inc., 8.25%,<br>4/01/20 (b)         | 1,750 | 1,787,187 |
| Crosstex Energy LP, 8.88%,<br>2/15/18 (b)          | 620   | 610,700   |
| Denbury Resources, Inc.:<br>9.75%, 3/01/16         | 925   | 987,438   |
| 8.25%, 2/15/20                                     | 670   | 691,775   |
| El Paso Corp., 7.00%, 6/15/17                      | 1,500 | 1,465,162 |

| Corporate Bonds | Par<br>(000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Oil, Gas & Consumable Fuels (concluded)**

|  |     |       |    |            |
|--|-----|-------|----|------------|
| Forest Oil Corp.:<br>8.50%, 2/15/14 (b)                | USD | 470   | \$ | 482,925    |
| 7.25%, 6/15/19   |     | 150   |    | 141,188    |
| Massey Energy Co., 6.88%,<br>12/15/13                  |     | 1,300 |    | 1,248,000  |
| OPTI Canada, Inc., 9.00%,<br>12/15/12 (b)              |     | 1,850 |    | 1,859,250  |
| Titan Petrochemicals Group Ltd.,<br>8.50%, 3/18/12 (b) |     | 1,760 |    | 704,000    |
|  |     |       |    | 12,677,125 |

**Paper & Forest Products 3.4%**

|  |  |       |  |            |
|--|--|-------|--|------------|
| Ainsworth Lumber Co. Ltd.,<br>11.00%, 7/29/15 (b)(c) |  | 4,207 |  | 3,880,538  |
| Clearwater Paper Corp., 10.63%,<br>6/15/16 (b)       |  | 640   |  | 702,400    |
| Georgia-Pacific LLC, 8.25%,<br>5/01/16 (b)           |  | 2,950 |  | 3,068,000  |
| NewPage Corp.:<br>10.00%, 5/01/12                    |  | 820   |  | 476,625    |
| 11.38%, 12/31/14                                     |  | 5,470 |  | 5,114,450  |
| Verso Paper Holdings LLC:<br>11.50%, 7/01/14 (b)     |  | 550   |  | 587,125    |
| Series B, 4.09%, 8/01/14 (f)                         |  | 890   |  | 740,925    |
|  |  |       |  | 14,570,063 |

**Pharmaceuticals 0.4%**

|   |     |       |  |           |
|---|-----|-------|--|-----------|
| Angiotech Pharmaceuticals, Inc.,<br>4.29%, 12/01/13 (f) |     | 1,570 |  | 1,224,600 |
| Novasep Holding SAS, 9.63%,<br>12/15/16 (b)             | EUR | 564   |  | 636,741   |
|   |     |       |  | 1,861,341 |

**Real Estate Investment Trusts (REITs) 0.2%**

|   |     |       |  |         |
|---|-----|-------|--|---------|
| Omega Healthcare Investors, Inc.,<br>7.50%, 2/15/20 (b) | USD | 1,010 |  | 999,900 |
|---|-----|-------|--|---------|

**Semiconductors & Semiconductor Equipment 0.3%**

|  |  |     |  |         |
|--|--|-----|--|---------|
|  |  | 235 |  | 230,594 |
|--|--|-----|--|---------|

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|  |     |           |
|--|-----|-----------|
| Advanced Micro Devices, Inc.,<br>8.13%, 12/15/17 (b) |     |           |
| STATS ChipPAC Ltd.:                                  |     |           |
| 7.50%, 7/19/10                                       | 285 | 285,356   |
| 6.75%, 11/15/11                                      | 615 | 614,231   |
|  |     | 1,130,181 |

**Software 0.0%**

|  |       |        |
|--|-------|--------|
| BMS Holdings, Inc., 7.89%,<br>2/15/12 (b)(c) | 1,702 | 34,037 |
|--|-------|--------|

**Specialty Retail 0.5%**

|   |       |           |
|---|-------|-----------|
| General Nutrition Centers, Inc.,<br>10.75%, 3/15/15 | 810   | 816,075   |
| United Auto Group, Inc., 7.75%,<br>12/15/16         | 1,275 | 1,201,688 |
|   |       | 2,017,763 |

**Textiles, Apparel & Luxury Goods 0.3%**

|  |     |         |
|--|-----|---------|
| Phillips-Van Heusen Corp.:<br>7.38%, 5/15/20 | 925 | 929,625 |
|--|-----|---------|

## Schedule of Investments (continued)

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

| Corporate Bonds   | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Textiles, Apparel &amp; Luxury Goods (concluded)</b> |              |             |
| Phillips-Van Heusen Corp. (concluded):                  |              |             |
| 7.75%, 11/15/23   | USD 410      | \$ 434,653  |
|   |              | 1,364,278   |
| <b>Wireless Telecommunication Services 3.4%</b>         |              |             |
| Cricket Communications, Inc.,                           |              |             |
| 7.75%, 5/15/16  | 3,050        | 3,095,750   |
| Digicel Group Ltd. (b):                                 |              |             |
| 9.13%, 1/15/15 (c)                                      | 3,948        | 3,849,300   |
| 8.25%, 9/01/17  | 300          | 294,000     |
| MetroPCS Wireless, Inc.:                                |              |             |
| 9.25%, 11/01/14   | 760          | 782,800     |
| 9.25%, 11/01/14   | 2,100        | 2,142,000   |
| Nextel Communications, Inc.,                            |              |             |
| Series E, 6.88%, 10/31/13                               | 2,275        | 2,178,312   |
| Orascom Telecom Finance SCA,                            |              |             |
| 7.88%, 2/08/14 (b)                                      | 755          | 679,500     |
| Sprint Capital Corp.:                                   |              |             |
| 8.38%, 3/15/12  | 625          | 643,750     |
| 6.88%, 11/15/28   | 1,000        | 831,250     |
|   |              | 14,496,662  |
| <b>Total Corporate Bonds 58.1%</b>                      |              | 248,452,549 |

## Floating Rate Loan Interests (f)

|   |       |           |
|---|-------|-----------|
| <b>Aerospace &amp; Defense 0.4%</b>     |       |           |
| Hawker Beechcraft Acquisition Co., LLC: |       |           |
| Incremental Term Loan,                  |       |           |
| 10.50%, 3/26/14                         | 473   | 467,190   |
| Letter of Credit Facility               |       |           |
| Deposit, 2.10%, 3/26/14                 | 95    | 78,415    |
| Term Loan, 2.34%, 3/26/14               | 1,605 | 1,318,419 |
|   |       | 1,864,024 |
| <b>Airlines 0.4%</b>                    |       |           |
| Delta Air Lines, Inc., Credit-Linked    |       |           |
| Deposit Loan, 0.20% - 2.32%,            |       |           |
| 4/30/12                                 | 1,940 | 1,852,700 |

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**Auto Components 2.7%**

|  |       |            |
|--|-------|------------|
| Affinion Group Holdings, Inc.:                                     |       |            |
| Loan, 7.89%, 3/01/12   | 3,062 | 2,881,699  |
| Term Loan B, 5.00%, 4/08/16  | 1,000 | 956,250    |
| Allison Transmission, Inc., Term Loan, 3.01% - 3.10%, 8/07/14      | 7,354 | 6,668,209  |
| Dana Holding Corp., Term Advance, 4.53% - 4.73%, 1/30/15           | 349   | 335,874    |
| The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.24%, 4/30/14 | 750   | 690,781    |
|  |       | 11,532,813 |

| Floating Rate Loan Interests (f)               | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Automobiles 0.7%</b>                        |              |              |
| Ford Motor Co.:                                |              |              |
| Tranche B-1 Term Loan, 3.31% - 3.34%, 12/15/13 | USD 2,248    | \$ 2,092,773 |
| Tranche B-2 Term Loan, 3.26%, 12/15/13         | 1,117        | 1,035,386    |
|  |              | 3,128,159    |

|  |           |           |
|--|-----------|-----------|
| <b>Beverages 0.8%</b>  |           |           |
| Culligan International Co., Loan (Second Lien), 5.16%, 4/24/13 | EUR 1,500 | 938,766   |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16           | USD 2,644 | 2,636,111 |
|  |           | 3,574,877 |

|  |       |           |
|--|-------|-----------|
| <b>Building Products 0.9%</b>  |       |           |
| Building Materials Corp. of America, Term Loan Advance, 3.13%, 2/22/14 | 1,047 | 1,010,534 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14                        | 2,683 | 2,680,037 |
|  |       | 3,690,571 |

|  |           |           |
|--|-----------|-----------|
| <b>Chemicals 3.9%</b>  |           |           |
| CF Industries Holdings, Inc., Bridge Loan, 4.50%, 3/17/15                            | 4,240     | 4,235,463 |
| Chemtura Corp., Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11     | 1,600     | 1,603,000 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14                            | 798       | 797,501   |
| Matrix Acquisition Corp. (FKA MacDermid, Inc.), Tranche C Term Loan, 2.65%, 12/15/13 | EUR 700   | 773,101   |
| Nalco Co., Term Loan, 6.50%, 5/13/16   | USD 1,712 | 1,710,636 |

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|  |       |            |
|--|-------|------------|
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.59% - 3.61%, 7/30/14 | 3,965 | 3,603,194  |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14                            | 1,600 | 1,597,000  |
| Solutia, Inc., Term Loan, 4.75%, 3/01/17   | 2,300 | 2,296,166  |
|  |       | <hr/>      |
|  |       | 16,616,061 |

**Commercial Services & Supplies 2.0%**

|  |     |         |
|--|-----|---------|
| ARAMARK Corp.:   |     |         |
| Letter of Credit, 2.23%, 1/26/14                                     | 42  | 39,637  |
| Line of Credit, 3.60%, 7/26/16                                       | 64  | 61,726  |
| Term Loan B, 3.54%, 7/26/16  | 970 | 938,587 |
| US Term Loan, 2.17%, 1/26/14   | 632 | 602,721 |
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 3.11%, 10/21/13 | 814 | 772,823 |
| Casella Waste Systems, Inc., Term Loan B, 7.00%, 4/09/14             | 387 | 386,107 |

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f)   | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Commercial Services &amp; Supplies (concluded)</b>                            |              |              |
| International Lease Finance Corp.:   |              |              |
| Term Loan 1, 6.75%, 2/23/15 USD  | 2,800        | \$ 2,734,200 |
| Term Loan 2, 7.00%, 3/05/16  | 975          | 948,675      |
| Synagro Technologies, Inc., Term<br>Loan (First Lien), 2.34% - 2.36%,<br>4/02/14 | 788          | 708,069      |
| West Corp., Incremental Term<br>Loan B-3, 7.25%, 10/24/13                        | 1,535        | 1,533,749    |
|  |              | 8,726,294    |
| <b>Construction &amp; Engineering 0.6%</b>                                       |              |              |
| Safeway Services, LLC, First Out<br>Term Loan, 9.00%, 12/14/17                   | 2,750        | 2,750,000    |
| <b>Consumer Finance 2.7%</b>   |              |              |
| American General Finance Corp.,<br>Term Loan, 7.25%, 4/16/16                     | 5,000        | 4,840,000    |
| Chrysler Financial Corp., Term<br>Loan (Second Lien), 6.84%,<br>8/02/13          | 6,865        | 6,775,508    |
|  |              | 11,615,508   |
| <b>Containers &amp; Packaging 0.7%</b>   |              |              |
| Anchor Glass Container Corp.,<br>Term Loan B, 6.00%, 2/18/16                     | 751          | 743,290      |
| BWAY Corp.:  |              |              |
| Term Loan, 5.50%, 5/21/17  | 1,371        | 1,364,021    |
| Term Loan Canada, 5.50%,<br>5/20/17  | 129          | 128,228      |
| Berry Plastics Holding Corp.,<br>Term Loan C, 2.26%, 4/03/15                     | 895          | 801,867      |
|  |              | 3,037,406    |
| <b>Diversified Consumer Services 2.0%</b>  |              |              |
| Coinmach Service Corp., Term<br>Loan, 3.47%, 11/14/14                            | 5,145        | 4,472,706    |
| Laureate Education, Series A New<br>Term Loan, 7.00%, 8/15/14                    | 4,308        | 4,254,733    |
|  |              | 8,727,439    |

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| <b>Diversified Financial Services 1.7%</b>                            |       |           |
|---|-------|-----------|
| CIT Group, Inc., Tranche 2A Term Loan, 9.50%, 1/20/12                 | 2,335 | 2,384,319 |
| MSCI, Inc., Term Loan B, 4.75%, 6/30/16                               | 2,150 | 2,141,937 |
| Reynolds Group Holdings, Inc.: Term Loan (First Lien), 5.75%, 5/05/16 | 1,400 | 1,389,500 |
| US Term Loan, 6.25%, 5/05/16  | 1,193 | 1,173,619 |
|   |       | 7,089,375 |

| <b>Diversified Telecommunication Services 1.7%</b>                        |       |           |
|---|-------|-----------|
| Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 | 4,616 | 3,254,434 |

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

| <b>Diversified Telecommunication Services (concluded)</b>         |           |              |
|---|-----------|--------------|
| Level 3 Communications, Incremental Term Loan, 2.55%, 3/13/14     | USD 2,250 | \$ 2,022,590 |
| US Telepacific Corp., Term Loan (Second Lien), 9.25%, 7/25/15     | 775       | 773,547      |
| Wind Telecomunicazioni SpA: Term Loan B2 Facility, 4.66%, 5/26/14 | 573       | 548,169      |
| Term Loan C2 Facility, 3.66%, 5/24/13                             | 573       | 548,169      |
|   |           | 7,146,909    |

| <b>Electronic Equipment, Instruments &amp; Components 0.5%</b> |       |           |
|--|-------|-----------|
| CDW Computer Centers, Inc., Term Loan B, 3.30%, 10/10/14       | 2,265 | 1,993,200 |

| <b>Energy Equipment &amp; Services 0.4%</b>   |       |           |
|---|-------|-----------|
| MEG Energy Corp., Term Loan D, 6.00%, 4/03/16 | 1,917 | 1,888,371 |

| <b>Food &amp; Staples Retailing 2.1%</b>  |           |           |
|---|-----------|-----------|
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.56%, 7/09/15 | GBP 1,700 | 2,211,846 |
| DSW Holdings, Inc., Term Loan, 4.34%, 3/02/12                                     | USD 800   | 768,000   |
| Pierre Foods, Term Loan B, 7.00%, 2/17/16   | 1,121     | 1,126,417 |
| Pilot Travel Centers, Term Loan B, 5.25%, 11/18/15                                | 2,500     | 2,495,982 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15                               | 2,242     | 2,273,660 |
|   |           | 8,875,905 |

| <b>Food Products 2.0%</b> |  |  |
|---------------------------|--|--|
| Dole Food Co., Inc.:      |  |  |

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|   |       |           |
|---|-------|-----------|
| Credit-Linked Deposit, 8.07%,<br>4/12/13                              | 288   | 287,876   |
| Term Loan B, 5.00% - 5.50%,<br>2/10/17                                | 1,045 | 1,043,393 |
| Term Loan C, 5.00% - 5.50%,<br>2/10/17                                | 2,595 | 2,591,526 |
| Pilgrim s Pride Corp., Term Loan A,<br>5.29%, 12/01/12                | 1,430 | 1,415,700 |
| Pinnacle Foods Finance LLC,<br>Tranche C Term Loan, 7.50%,<br>4/02/14 | 3,200 | 3,163,002 |
|   |       | 8,501,497 |

**Health Care Equipment & Supplies 0.7%**

|  |       |           |
|--|-------|-----------|
| DJO Finance LLC (ReAble<br>Therapeutics Finance LLC), Term<br>Loan, 3.35%, 5/20/14 | 3,082 | 2,963,321 |
|--|-------|-----------|

**Health Care Providers & Services 3.4%**

|  |       |           |
|--|-------|-----------|
| Ardent Health Services, Inc., Term<br>Loan, 6.50%, 8/10/15 | 1,200 | 1,173,000 |
|--|-------|-----------|

## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f)  | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Health Care Providers &amp; Services (concluded)</b>   |              |            |
| CHS/Community Health Systems, Inc.:   |              |            |
| Delayed Draw Term Loan,<br>2.79%, 7/25/14   | USD 190      | \$ 177,924 |
| Funded Term Loan,<br>2.60% - 2.79%, 7/25/14   | 3,746        | 3,502,242  |
| DaVita, Inc., Tranche B-1 Term<br>Loan, 1.79% - 1.85%, 10/05/12   | 600          | 585,334    |
| HCA, Inc.:  |              |            |
| Tranche A-1 Term Loan,<br>1.79%, 11/16/12   | 5,164        | 4,885,085  |
| Tranche B-1 Term Loan,<br>2.54%, 11/18/13   | 245          | 231,525    |
| Harden Healthcare, Term Loan A,<br>8.50%, 2/22/15   | 796          | 780,436    |
| Renal Advantage Holdings, Inc.,<br>Term Loan, 6.00%, 5/25/16  | 1,100        | 1,094,500  |
| Vanguard Health Holding Co. II,<br>LLC (Vanguard Health Systems,<br>Inc.), Initial Term Loan, 5.00%,<br>1/29/16 | 2,100        | 2,071,650  |
|   |              | 14,501,696 |
| <b>Health Care Technology 0.7%</b>  |              |            |
| IMS Healthcare, Term Loan B,<br>5.25%, 2/16/16  | 2,971        | 2,944,108  |
| <b>Hotels, Restaurants &amp; Leisure 3.0%</b>   |              |            |
| Blackstone UTP Capital LLC, Loan,<br>7.75%, 11/06/14  | 2,494        | 2,493,750  |
| Green Valley Ranch Gaming, LLC,<br>Loan (Second Lien), 8.00%,<br>8/16/14 (a)(d)                                 | 750          | 44,062     |
| Harrah's Operating Co., Inc.:   |              |            |
| Term Loan B-1, 3.32%,<br>1/28/15  | 449          | 374,931    |
| Term Loan B-2, 3.32%,<br>1/28/15  | 565          | 471,202    |
| Term Loan B-3,<br>3.29% - 3.32%, 1/28/15  | 2,223        | 1,852,212  |
| Term Loan B-4, 9.50%,<br>10/31/16   | 2,244        | 2,245,933  |
| Six Flags Theme Parks, Inc., Exit<br>Term Loan, 6.00%, 4/19/16  | 3,500        | 3,476,851  |
| VML US Finance LLC (FKA Venetian<br>Macau):   |              |            |

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|   |       |            |
|---|-------|------------|
| New Project Term Loan,<br>4.80%, 5/27/13            | 832   | 802,194    |
| Term B Delayed Draw Project<br>Loan, 4.80%, 5/25/12 | 1,064 | 1,024,461  |
| Term B Funded Project Loan,<br>4.80%, 5/27/13       | 184   | 177,610    |
|   |       | 12,963,206 |

**IT Services 2.2%**

|  |       |           |
|--|-------|-----------|
| Ceridian Corp., US Term Loan,<br>3.35%, 11/09/14 | 2,910 | 2,667,720 |
|--|-------|-----------|

| Floating Rate Loan Interests (f) | Par<br>(000) | Value |
|----------------------------------|--------------|-------|
|----------------------------------|--------------|-------|

**IT Services (concluded)**

|  |           |              |
|--|-----------|--------------|
| First Data Corp.:  |           |              |
| Initial Tranche B-2 Term Loan,<br>3.03% - 3.04%, 9/24/14 | USD 3,830 | \$ 3,220,620 |
| Initial Tranche B-3 Term Loan,<br>3.03% - 3.04%, 9/24/14 | 2,685     | 2,260,249    |
| SunGard Data Systems, Inc. (Solar<br>Capital Corp.):     |           |              |
| Incremental Term Loan,<br>6.75%, 2/28/14                 | 350       | 347,521      |
| Tranche B US Term Loan,<br>3.89% - 4.00%, 2/28/16        | 713       | 692,712      |
|  |           | 9,188,822    |

**Independent Power Producers & Energy Traders 0.7%**

|   |       |           |
|---|-------|-----------|
| Dynegy Holdings, Inc.:                                    |       |           |
| Term Letter of Credit Facility,<br>4.11%, 4/02/13         | 925   | 880,212   |
| Tranche B Term Loan, 4.11%,<br>4/02/13                    | 74    | 70,676    |
| Texas Competitive Electric Holdings Co.,<br>LLC (TXU):    |       |           |
| Initial Tranche B-2 Term Loan,<br>3.79% - 4.07%, 10/10/14 | 2,177 | 1,672,301 |
| Initial Tranche B-3 Term Loan,<br>3.79% - 3.80%, 10/10/14 | 197   | 150,435   |
|   |       | 2,773,624 |

**Industrial Conglomerates 0.3%**

|  |       |           |
|--|-------|-----------|
| Sequa Corp., Term Loan,<br>3.48% - 3.55%, 12/03/14 | 1,394 | 1,272,891 |
|--|-------|-----------|

**Insurance 0.1%**

|  |     |         |
|--|-----|---------|
| Alliant Holdings I, Inc., Term Loan,<br>3.29%, 8/21/14 | 592 | 542,051 |
|--|-----|---------|

**Internet & Catalog Retail 0.3%**

|   |       |           |
|---|-------|-----------|
| FTD Group, Inc., Tranche B Term<br>Loan, 6.75%, 8/26/14 | 1,096 | 1,093,513 |
|---|-------|-----------|

**Leisure Equipment & Products 0.3%**

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|  |       |                  |
|--|-------|------------------|
| EB Sports Corp., Loan, 11.50%,<br>5/01/12                                | 1,466 | 1,392,281        |
| <b>Machinery 0.9%</b>  |       |                  |
| Accuride Corp., Term Loan, 9.75%,<br>1/31/12                             | 2,045 | 2,034,350        |
| Bucyrus International, Term<br>Loan C, 4.50%, 1/26/16                    | 900   | 894,750          |
| Generac Acquisition Corp., Term<br>Loan (First Lien), 2.79%,<br>11/10/13 | 343   | 316,379          |
| Oshkosh Truck Corp., Term Loan B,<br>6.26%, 12/06/13                     | 722   | 720,872          |
|  |       | <u>3,966,351</u> |

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f)  | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Media 7.9%</b>   |              |              |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | USD 2,532    | \$ 2,545,107 |
| Charter Communications Operating, LLC:<br>New Term Loan, 2.30%, 3/06/14                                 | 548          | 506,626      |
| Term Loan B1, 2.30%, 3/25/14  | 1,200        | 1,199,813    |
| Term Loan C, 3.55%, 9/06/16   | 5,316        | 4,948,369    |
| Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11  | 6,303        | 2,363,533    |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 5.53%, 6/12/14   | 3,172        | 2,904,584    |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.63% - 2.75%, 3/10/14                                   | 744          | 409,359      |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):<br>Facility B1, 3.34%, 6/30/15                         | EUR 337      | 305,428      |
| Facility C1, 3.59%, 6/30/16   | 674          | 610,856      |
| Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17          | USD 995      | 982,314      |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13   | 4,250        | 4,462,500    |
| Sinclair Television Group, Inc., Tranche B Term Loan, 6.75%, 10/29/15                                   | 924          | 924,520      |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16   | EUR 1,900    | 2,322,831    |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment), Term Facility, 5.60%, 3/20/12                        | USD 1,444    | 1,329,046    |
| UPC Financing Partnership, Facility Term Loan, 3.93%, 12/30/16  | 2,000        | 1,931,666    |
| Virgin NTL Cable Plc, Term Loan B, 4.41%, 12/31/15  | GBP 1,250    | 1,740,933    |
| Weather Channel, Term Loan B, 5.00%, 9/14/15  | USD 2,313    | 2,306,158    |
| Worldcolor Press Inc. and Worldcolor (USA) Corp. (FKA Quebecor World, Inc.), Advance, 9.00%, 7/23/12    | 796          | 801,634      |
|   | 1,406        | 1,364,063    |

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Yell Group Plc TPI, Term Loan A,  
2.48%, 8/09/11

33,959,340

**Metals & Mining 1.4%**

Euramax International, Inc., Domestic

Term Loan:

|                     |       |           |
|---------------------|-------|-----------|
| 10.00%, 6/29/13     | 1,286 | 1,201,208 |
| 14.00%, 6/29/13 (c) | 1,354 | 1,264,706 |

| Floating Rate Loan Interests (f) | Par<br>(000) | Value |
|----------------------------------|--------------|-------|
|----------------------------------|--------------|-------|

**Metals & Mining (concluded)**

RathGibson, Inc., Loan Debtor in

Possession, 10.75%,

6/30/10 (c)

|     |       |              |
|-----|-------|--------------|
| USD | 3,665 | \$ 3,665,418 |
|-----|-------|--------------|

6,131,332

**Multi-Utilities 0.4%**

Energy Transfer Equity, LP, Term

Loan, 2.09%, 11/01/12

|     |         |
|-----|---------|
| 750 | 733,928 |
|-----|---------|

FirstLight Power Resources, Inc. (FKA

NE Energy, Inc.):

Synthetic Letter of Credit,

2.81%, 11/01/13

|    |        |
|----|--------|
| 53 | 49,783 |
|----|--------|

Term B Advance (First Lien),

2.81%, 11/01/13

|     |         |
|-----|---------|
| 509 | 481,226 |
|-----|---------|

USPF Holdings, LLC, Term Loan,

2.10%, 4/11/14

|     |         |
|-----|---------|
| 431 | 426,098 |
|-----|---------|

1,691,035

**Multiline Retail 1.6%**

Dollar General Corp., Tranche B-2

Term Loan, 3.09% - 3.10%,

7/07/14

|       |           |
|-------|-----------|
| 2,179 | 2,077,874 |
|-------|-----------|

Hema Holding BV:

Facility B, 2.42%, 7/06/15

|     |     |         |
|-----|-----|---------|
| EUR | 369 | 429,463 |
|-----|-----|---------|

Facility C, 3.17%, 7/05/16

|     |         |
|-----|---------|
| 369 | 429,463 |
|-----|---------|

Facility D, 5.42%, 1/01/17

|       |           |
|-------|-----------|
| 2,900 | 3,131,672 |
|-------|-----------|

The Neiman Marcus Group, Inc.,

Term Loan, 2.25% - 2.28%,

4/06/13

|     |       |         |
|-----|-------|---------|
| USD | 1,020 | 930,325 |
|-----|-------|---------|

6,998,797

**Oil, Gas & Consumable Fuels 2.8%**

Big West Oil, LLC:

Delayed Draw Loan, 4.50%,

5/15/14

|       |           |
|-------|-----------|
| 1,117 | 1,101,538 |
|-------|-----------|

Initial Advance Loan, 4.50%,

5/15/14

|     |         |
|-----|---------|
| 888 | 875,942 |
|-----|---------|

Initial Advance Loan, 12.00%,

1/26/15

|       |           |
|-------|-----------|
| 1,500 | 1,502,501 |
|-------|-----------|

Tronox Worldwide LLC:

Tranche B-1 Term Loan,

9.00%, 6/24/10

|       |           |
|-------|-----------|
| 2,174 | 2,181,207 |
|-------|-----------|



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|  |       |                  |
|--|-------|------------------|
| Tranche B-2 Term Loan,<br>9.00%, 6/24/10                 | 676   | 677,699          |
| Turbo Beta Ltd., Dollar Facility,<br>14.50%, 3/15/18 (c) | 6,187 | 5,568,020        |
|  |       | <hr/> 11,906,907 |

|   |       |                 |
|---|-------|-----------------|
| <b>Paper &amp; Forest Products 0.7%</b>                               |       |                 |
| Georgia-Pacific LLC, Term Loan B,<br>2.25% - 2.54%, 12/23/12          | 214   | 209,156         |
| Verso Paper Finance Holdings LLC,<br>Loan, 6.60% - 7.35%, 2/01/13 (c) | 4,137 | 2,689,094       |
|   |       | <hr/> 2,898,250 |

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f)  | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Personal Products 0.3%</b>   |              |            |
| American Safety Razor Co., LLC:<br>Loan (Second Lien), 10.50%,<br>1/30/14 | USD 1,075    | \$ 443,437 |
| Term Loan (First Lien), 6.75%,<br>7/31/13                                 | 723          | 656,448    |
|   |              | 1,099,885  |
| <b>Pharmaceuticals 0.9%</b>   |              |            |
| Warner Chilcott Co., LLC, Term<br>Loan A, 5.50%, 10/30/14                 | 1,274        | 1,272,288  |
| Warner Chilcott Corp.:<br>Additional Term Loan, 5.75%,<br>4/30/15         | 591          | 589,684    |
| Term Loan B-1, 5.75%,<br>4/30/15  | 984          | 981,931    |
| Term Loan B-2, 5.75%,<br>4/30/15  | 928          | 926,051    |
|   |              | 3,769,954  |
| <b>Professional Services 0.4%</b>   |              |            |
| Booz Allen Hamilton, Inc., Term<br>Loan C, 6.00%, 7/31/15                 | 1,746        | 1,743,007  |
| <b>Real Estate Management &amp; Development 1.8%</b>                      |              |            |
| Enclave, Term Loan (First Lien),<br>6.14%, 3/01/12 (a)(d)                 | 4,000        |            |
| Georgian Towers, Term Loan,<br>6.14%, 3/01/12 (a)(d)                      | 4,000        |            |
| Realogy Corp.:<br>Delayed Draw Term Loan B,<br>3.29%, 10/10/13            | 1,471        | 1,240,307  |
| Initial Term Loan B, 3.29%,<br>10/10/13                                   | 4,430        | 3,734,107  |
| Synthetic Letter of Credit,<br>3.35%, 10/10/13                            | 1,193        | 1,005,337  |
| Term Loan (Second Lien),<br>13.50%, 10/15/17                              | 1,500        | 1,575,000  |
|   |              | 7,554,751  |
| <b>Software 0.4%</b>  |              |            |
| Reynolds & Reynolds, Term Loan,<br>5.25%, 4/16/17                         | 538          | 533,630    |

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|  |     |       |                  |
|--|-----|-------|------------------|
| Telcordia Technologies, Inc., Term<br>Loan B, 6.75%, 4/09/16 | USD | 1,300 | 1,277,250        |
|  |     |       | <u>1,810,880</u> |

**Specialty Retail 0.7%**

|  |  |       |           |
|--|--|-------|-----------|
| Bass Pro Group LLC Term Loan B,<br>5.00% - 5.75%, 4/06/15                        |  | 620   | 616,497   |
| Burlington Coat Factory<br>Warehouse Corp., Term Loan,<br>2.57% - 2.76%, 5/28/13 |  | 680   | 624,143   |
| Michaels Stores, Inc.:<br>Term Loan B-1, 2.56% -<br>2.81%, 10/31/13              |  | 1,384 | 1,258,984 |

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

**Specialty Retail (concluded)**

|  |     |     |                  |
|--|-----|-----|------------------|
| Michaels Stores, Inc. (concluded):<br>Term Loan B-2, 4.81% -<br>5.06%, 7/31/16 | USD | 543 | \$ 515,684       |
|  |     |     | <u>3,015,308</u> |

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

|   |  |       |           |
|---|--|-------|-----------|
| PVH/Hilfiger, US Term Loan B,<br>4.75%, 4/19/16 |  | 1,800 | 1,799,156 |
|---|--|-------|-----------|

**Wireless Telecommunication Services 0.4%**

|   |  |     |                  |
|---|--|-----|------------------|
| Cavtel Holdings, LLC, Term Loan,<br>10.50%, 12/31/12                        |  | 823 | 759,763          |
| MetroPCS Wireless, Inc., Tranche B<br>Term Loan, 2.56% - 2.63%,<br>11/03/13 |  | 995 | 952,565          |
|   |  |     | <u>1,712,328</u> |

|   |  |  |                    |
|---|--|--|--------------------|
| <b>Total Floating Rate Loan Interests 58.9%</b> |  |  | <u>252,303,903</u> |
|---|--|--|--------------------|

|  |  |                |
|--|--|----------------|
| <b>Other Interests (j)</b>                     | <b>Beneficial<br/>Interest<br/>(000)</b> |                |
| <b>Airlines 0.0%</b>                           |  |                |
| Delta Air Lines, Inc. Default:<br>8.33% Escrow | 5,505                                    | 110,100        |
| 10% Escrow                                     | 4,200                                    | 84,000         |
|  |  | <u>194,100</u> |

|                                     |       |         |
|-------------------------------------|-------|---------|
| <b>Auto Components 0.1%</b>         |       |         |
| Intermet Liquidating Trust, Class A | 1,074 | 265,397 |

**Diversified Financial Services 0.3%**

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|   |   |           |
|---|---|-----------|
| J.G. Wentworth LLC Preferred Equity Interests (k) | 1 | 1,190,710 |
|---|---|-----------|

**Household Durables 0.2%**

|   |   |         |
|---|---|---------|
| Stanley Martin Class B Membership Units (k) | 2 | 947,250 |
|---|---|---------|

**Media 0.0%**

|  |       |        |
|--|-------|--------|
| Adelphia Escrow                            | 7,500 | 750    |
| Adelphia Preferred Escrow                  | 5     | 1      |
| Adelphia Recovery Trust                    | 9,406 | 37,624 |
| Adelphia Recovery Trust, Series ACC-6B INT | 500   | 50     |

38,425

**Specialty Retail 0.0%**

|                                    |        |     |
|------------------------------------|--------|-----|
| Buffets, Inc.                      | 1,440  | 144 |
| Movie Gallery, Inc. Default Escrow | 21,700 | 217 |

361

**Total Other Interests 0.6%**

2,636,243

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

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

| Warrants (l)   | Shares    | Value       |
|--|-----------|-------------|
| <b>Building Products 0.0%</b>  |           |             |
| Neenah Enterprises Inc.<br>(expires 9/30/13)                                 | 130,547   | \$ 1        |
| <b>Health Care Providers &amp; Services 0.0%</b>                             |           |             |
| HealthSouth Corp.<br>(expires 1/16/14)                                       | 126,761   | 1           |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                |           |             |
| Buffets Restaurants Holdings, Inc.<br>(expires 4/29/14)                      | 1,216     | 12          |
| <b>Media 0.0%</b>  |           |             |
| Charter Communications, Inc.<br>(expires 11/30/14)                           | 12,661    | 53,809      |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>                                  |           |             |
| Turbo Cayman Ltd. (no expiration)  | 4         |             |
| <b>Software 0.0%</b>   |           |             |
| HMH Holdings/EduMedia<br>(expires 3/09/17)                                   | 24,924    |             |
| <b>Specialty Retail 0.0%</b>   |           |             |
| Movie Gallery, Inc.<br>(expires 5/15/15)                                     | 62,323    | 31,162      |
| <b>Total Warrants 0.0%</b>   |           | 84,985      |
| <b>Total Long-Term Investments</b><br>(Cost \$613,979,113) 122.8%            |           | 525,812,813 |
| <b>Short-Term Securities</b>   |           |             |
| BlackRock Liquidity Funds,<br>TempFund, Institutional Class,<br>0.16% (m)(n) | 8,589,350 | 8,589,350   |
| <b>Total Short-Term Securities</b><br>(Cost \$8,589,350) 2.0%                |           | 8,589,350   |
|  |           | 534,402,163 |

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|  |                |
|--|----------------|
| <b>Total Investments</b>                     |                |
| (Cost \$622,568,463*)                        | 124.8%         |
| <b>Liabilities in Excess of Other Assets</b> | (24.8)%        |
|  | (106,315,998)  |
| <b>Net Assets</b>                            | 100.0%         |
|  | \$ 428,086,165 |

\* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2010, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 622,018,826  |
| Gross unrealized appreciation | \$ 22,223,571   |
| Gross unrealized depreciation | (109,840,234)   |
| Net unrealized depreciation   | \$ (87,616,663) |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (d) Issuer filed for bankruptcy and/or is in default of interest payments.
- (e) As a result of bankruptcy proceedings, the company did not repay the principal amount or accrued interest of the security upon maturity.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Convertible security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) All or a portion of security has been pledged as collateral in connection with swaps.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) The investment is held by a wholly owned taxable subsidiary of the Fund.
- (l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (m) Represents the current yield as of report date.
- (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:

| Affiliate                            | Shares Held at February 28, 2010 | Net Activity | Shares Held at May 31, 2010 | Income |
|--------------------------------------|----------------------------------|--------------|-----------------------------|--------|
| BlackRock Liquidity Funds, TempFund, | 1,319,723                        | 7,269,627    | 8,589,350                   | \$ 956 |

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Institutional Class

Foreign currency exchange contracts as of May 31, 2010 were as follows:

| Currency Purchased |            | Currency Sold |            | Counter-party              | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|----------------------------|-----------------|--|
| EUR                | 210,200    | USD           | 259,630    | Citibank NA                | 7/14/10         | \$ (1,549)                             |
| EUR                | 33,000     | USD           | 41,546     | Citigroup Global           | 7/14/10         | (1,029)                                |
| USD                | 17,677,415 | EUR           | 14,085,500 | BNP Paribas                | 7/14/10         | 383,403                                |
| USD                | 1,570,271  | EUR           | 1,278,000  | Citibank NA                | 7/14/10         | 1,157                                  |
| GBP                | 4,365,000  | USD           | 6,478,529  | Citibank NA                | 7/28/10         | (165,148)                              |
| USD                | 2,804,083  | CAD           | 2,810,000  | Citibank NA                | 7/28/10         | 134,467                                |
| USD                | 1,509,000  | GBP           | 2,329,904  | Citibank NA                | 7/28/10         | 147,340                                |
| USD                | 9,598,130  | GBP           | 6,203,500  | Royal Bank of Scotland Plc | 7/28/10         | 625,608                                |
| <b>Total</b>       |            |               |            |                            |                 | \$ 1,124,249                           |

## Schedule of Investments (continued)

## BlackRock Debt Strategies Fund, Inc. (DSU)

Credit default swaps on traded indexes buy protection outstanding as of May 31, 2010 were as follows:

| Issuer                         | Pay Fixed Rate | Counterparty           | Expiration     | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------------------|----------------|------------------------|----------------|-----------------------|--|
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs Bank USA | December 2011  | USD 855               | \$ 9,278                               |
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs Bank USA | December 2012  | USD 425               | 5,027                                  |
| Brunswick Corp.                | 5.00%          | Goldman Sachs Bank USA | September 2014 | USD 325               | (28,949)                               |
| Boston Scientific Corp.        | 1.00%          | Goldman Sachs Bank USA | December 2014  | USD 900               | 30,590                                 |
| <b>Total</b>                   |                |                        |                |                       | <b>\$ 15,946</b>                       |

Credit default swaps on traded indexes sold protection outstanding as of May 31, 2010 were as follows:

| Issuer                          | Receive Fixed Rate | Counterparty     | Expiration | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Depreciation |
|---------------------------------|--------------------|------------------|------------|----------------------------|------------------------------------|-------------------------|
| BAA Ferrovial, Junior Term Loan | 2.00%              | Deutsche Bank AG | March 2012 | A-                         | GBP 900                            | \$ (52,530)             |

<sup>1</sup> Using S&P's rating of the issuer.

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit take place as defined under the terms of the 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. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

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

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



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risks and default rates) or other market-corroborated inputs)

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

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

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BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2010

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## Schedule of Investments (continued)

## BlackRock Debt Strategies Fund, Inc. (DSU)

The following tables summarize the inputs used as of May 31, 2010 in determining the fair valuation of the Fund's investments:

| Valuation Inputs             | Level 1              | Level 2               | Level 3              | Total                 |
|------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                      |                       |                      |                       |
| Investments in Securities:   |                      |                       |                      |                       |
| Long-Term Investments:       |                      |                       |                      |                       |
| Common Stocks                | \$ 14,881,469        | \$ 5,081,240          | \$ 2,372,424         | \$ 22,335,133         |
| Corporate Bonds              |                      | 236,808,370           | 11,644,179           | 248,452,549           |
| Floating Rate Loan Interests |                      | 206,369,513           | 45,934,390           | 252,303,903           |
| Other Interests              |                      | 194,100               | 2,442,143            | 2,636,243             |
| Warrants                     | 53,809               | 1                     | 31,175               | 84,985                |
| Short-Term Securities        | 8,589,350            |                       |                      | 8,589,350             |
| <b>Liabilities:</b>          |                      |                       |                      |                       |
| Unfunded Loan Commitments    |                      |                       | (37,260)             | (37,260)              |
| <b>Total</b>                 | <b>\$ 23,524,628</b> | <b>\$ 448,453,224</b> | <b>\$ 62,387,051</b> | <b>\$ 534,364,903</b> |

| Derivative Financial Instruments <sup>1</sup> |         |                     |                    |                     |
|---|---------|---------------------|--------------------|---------------------|
| Valuation Inputs                              | Level 1 | Level 2             | Level 3            | Total               |
| <b>Assets:</b>                                |         |                     |                    |                     |
| Credit contracts                              |         | \$ 44,895           |                    | \$ 44,895           |
| Foreign currency exchange contracts           |         | 1,291,975           |                    | 1,291,975           |
| <b>Liabilities:</b>                           |         |                     |                    |                     |
| Credit contracts                              |         | (28,949)            | \$ (52,530)        | (81,479)            |
| Foreign currency exchange contracts           |         | (167,726)           |                    | (167,726)           |
| <b>Total</b>                                  |         | <b>\$ 1,140,195</b> | <b>\$ (52,530)</b> | <b>\$ 1,087,665</b> |

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

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

| Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Unfunded Loan | Total |
|---------------|-----------------|------------------------------|-----------------|----------|---------------|-------|
|---------------|-----------------|------------------------------|-----------------|----------|---------------|-------|

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Commitments

|   |                     |                      |                      |                     |                  |                                  |
|---|---------------------|----------------------|----------------------|---------------------|------------------|----------------------------------|
| Balance, as of February 28, 2010                                | \$ 311,675          | \$ 11,805,208        | \$ 58,483,045        | \$ 2,253,500        | \$ 31,175        | \$ 72,884,603                    |
| Accrued discounts/premiums                                      |                     | 146,355              | 147,613              |                     |                  | 293,968                          |
| Net realized gain (loss)  |                     | 47,216               | (1,087,015)          | 195,600             |                  | (844,199)                        |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 420,027             | 41,724               | 3,789,372            | 272,472             | \$ (37,260)      | 4,486,335                        |
| Purchases   |                     | 5                    | 2,178,637            |                     |                  | 2,178,642                        |
| Sales   |                     | (396,329)            | (19,709,408)         | (279,429)           |                  | (20,385,166)                     |
| Transfers in <sup>3</sup>                                       | 1,774,372           |                      | 21,199,050           |                     |                  | 22,973,422                       |
| Transfers out <sup>3</sup>                                      | (133,650)           |                      | (19,066,904)         |                     |                  | (19,200,554)                     |
| <b>Balance, as of May 31, 2010</b>                              | <b>\$ 2,372,424</b> | <b>\$ 11,644,179</b> | <b>\$ 45,934,390</b> | <b>\$ 2,442,143</b> | <b>\$ 31,175</b> | <b>\$ (37,260) \$ 62,387,051</b> |

<sup>2</sup> The change in the unrealized appreciation/depreciation on the securities still held on May 31, 2010 was \$1,597,945.

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

## Schedule of Investments (concluded)

## BlackRock Debt Strategies Fund, Inc. (DSU)

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

|   | <b>Other<br/>Financial<br/>Instruments<sup>1</sup></b> |
|---|--|
| Balance, as of February 28, 2010                                | \$ (94,696)  |
| Accrued discounts/premiums                                      |  |
| Net realized gain (loss)  |  |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 42,166   |
| Purchases   |  |
| Sales   |  |
| Transfers in <sup>3</sup>                                       |  |
| Transfers out <sup>3</sup>                                      |  |
| <b>Balance, as of May 31, 2010</b>                              | <b>\$ (52,530)</b>                                     |

<sup>1</sup> Other financial instruments are swaps.

<sup>2</sup> The change in the unrealized appreciation/depreciation on the securities still held on May 31, 2010 was \$42,166.

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

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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 13(a)-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/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer of  
BlackRock Debt Strategies Fund, Inc.

Date: July 23, 2010

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/ Anne F. Ackerley  
Anne F. Ackerley  
Chief Executive Officer (principal executive officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: July 23, 2010

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

Date: July 23, 2010

