

Edgar Filing: FLOATING RATE INCOME STRATEGIES FUND INC - Form N-Q

FLOATING RATE INCOME STRATEGIES FUND INC

Form N-Q

January 27, 2006

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 811-21413

Name of Fund: Floating Rate Income Strategies Fund, Inc.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive  
Officer, Floating Rate Income Strategies Fund, Inc., 800 Scudders Mill  
Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011,  
Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 08/31/2006

Date of reporting period: 09/01/05 - 11/30/05

Item 1 - Schedule of Investments

Floating Rate Income Strategies Fund, Inc.

Schedule of Investments as of November 30, 2005

| Industry                   | Face Amount  | Floating Rate Loan Interests**   |
|----------------------------|--|--|
| Aerospace & Defense - 2.2% | USD 1,951,854<br>2,101,911<br>2,919,247<br>560,000 | K&F Industries, Inc. Term Loan, 6.45% due 11/18<br>MRO Acquisitions Corp. First Lien Term Loan, 6.<br>due 8/27/2010<br>Vought Aircraft Industries, Inc. Term Loan, 6.7<br>12/22/2011<br>Vought Aircraft Industries, Inc. Tranche B Line<br>Credit Deposit, 6.364% due 12/22/2010           |
| Airlines - 0.3%            | 1,000,000  | Delta Air Lines, Inc. Term Loan B, 11.01% due<br>3/16/2008   |
| Automotive - 2.5%          | 2,843,570<br>1,660,870<br>2,896,483<br>1,272,374   | Affinia Group Term Loan B, 6.40% due 11/30/2011<br>Keystone Automotive Operations, Inc. Term Loan,<br>5.628% - 6.026% due 10/30/2009<br>Tenneco Automotive, Inc. Term Loan B, 6.63% due<br>12/12/2010<br>Tenneco Automotive, Inc. Tranche B-1 Credit Lin<br>Deposit, 6.339% due 12/12/2010 |

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|                                |               |   |
|--------------------------------|---------------|---|
| Broadcasting - 1.6%            | 2,970,000     | Emmis Operating Co. Term Loan B, 5.89% due 11/10/2011                                 |
|                                | 865,385       | NextMedia Group, Inc. First Lien Term Loan, 6.1% due 11/15/2012                       |
|                                | 1,750,000     | NextMedia Group, Inc. Second Lien Term Loan, 6.115% due 11/15/2013                    |
| Cable - U.S. - 17.6%           | 12,000,000    | Century Cable Holdings LLC, Discretionary Term Loan, 9% due 12/31/2009                |
|                                | 20,958,319    | Charter Communications Operating LLC Tranche B Term Loan, 7.42% - 7.50% due 4/07/2011 |
|                                | 2,000,000     | DIRECTV Holdings, Inc. Tranche B Term Loan, 5.386% - 5.64% due 4/13/2013              |
|                                | 4,912,500     | Insight Midwest Holdings LLC Term Loan C, 6.063% due 12/31/2009                       |
|                                | 2,977,500     | Intelsat Ltd. Term Loan, 5.25% due 7/28/2011  |
|                                | 2,262,500     | MCC Iowa, LLC Tranche A Term Loan, 5.12% - 5.54% due 3/31/2010                        |
|                                | 3,176,000     | Mediacom Communications LLC Tranche B Term Loan, 6.13% - 6.625% due 3/31/2013         |
|                                | 6,930,000     | PanAmSat Corp. Tranche B Term Loan 1, 6.107% due 8/20/2011                            |
|                                | EUR 5,000,000 | SatBirds Capital Participations Second Lien Term Loan, 6.397% due 9/30/2013           |
| Chemicals - 7.4%               | USD 1,970,000 | Hercules, Inc. Term Loan B, 5.77% - 5.86% due 10/08/2010                              |
|                                | 5,449,480     | Huntsman ICI Holdings Term Loan B, 5.89% due 8/16/2012                                |
|                                | 2,313,912     | Kosa B.V. (Invista) New Tranche B-1 Term Loan, 6.313% due 4/29/2011                   |
|                                | 994,343       | Kosa B.V. (Invista) New Tranche B-2 Term Loan, 6.313% due 4/29/2011                   |
|                                | 990,000       | Lyondell-Citgo Refining Term Loan, 5.67% - 6.19% due 5/21/2007                        |
|                                | 6,658,852     | Nalco Co. Tranche B Term Loan, 5.66% - 5.96% due 11/04/2010                           |
|                                | 458,229       | Pinnacle Polymers Term Loan, 6.58% due 12/15/2010                                     |
|                                | 1,990,000     | Rockwood Specialties Group, Inc. Tranche D Term Loan, 6.466% due 12/10/2012           |
|                                | 4,750,000     | Wellman, Inc. Second Lien Term Loan, 11% due 2/10/2010                                |
| Consumer - Durables - 2.0%     | 4,500,000     | Simmons Co. Term Loan, 7% due 6/19/2012   |
|                                | 2,376,127     | Simmons Co. Tranche B Term Loan, 5.75% - 8.50% due 12/19/2011                         |
| Consumer - Non-Durables - 1.2% | 1,786,014     | American Achievement Corp. Term Loan B, 6.37% - 8.75% due 3/22/2011                   |
|                                | 1,492,500     | Burt's Bees, Inc. Term Loan, 6.41% - 7.04% due 3/29/2011                              |

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|   |            |  |
|---|------------|--|
|   | 909,000    | Camelbak Products LLC First Lien Term Loan, 7.2<br>7.38% due 8/04/2011                         |
| Diversified Media - 4.6%                    | 1,194,000  | Freedom Communications, Inc. Tranche B Term Loa<br>5.37% - 5.53% due 5/01/2013                 |
|   | 4,647,521  | Liberty Group Operating Term Loan B, 6.125% -<br>6.375% due 2/28/2012                          |
|   | 10,000,000 | Metro-Goldwyn-Mayer Studios, Inc. Term Loan B,<br>6.27% due 4/30/2011                          |
| Energy - Exploration &<br>Production - 1.1% | 2,000,000  | Exco Holdings, Inc. Term Loan, 10% due 8/30/200  |
|   | 2,000,000  | Txok Acquisition Term Loan C, 8.875% due 9/27/2  |
| Energy - Other - 1.7%                       | 2,750,000  | Dresser, Inc. Term Loan Unsecured, 7.99% due<br>2/25/2010                                      |
|   | 1,500,000  | Epcoc, Inc. Term Loan B Tranche 3, 6.409% - 6.60<br>due 8/18/2010                              |
|   | 1,500,000  | Key Energy Services, Inc. Term Loan B, 7.02% -<br>7.28% due 6/30/2012                          |
| Food & Drug - 0.2%                          | 751,913    | Alimentation Couche-Tard, Inc. US Term Loan,<br>5.875% due 12/17/2010                          |
| Food & Tobacco - 3.0%                       | 3,184,780  | Constellation Brands Term Loan B, 5.438% - 6% d<br>11/30/2011                                  |
|   | 1,137,500  | Doane Pet Care Co. Tranche B Term Loan, 6.621%<br>6.367% due 10/24/2012                        |
|   | 5,304,722  | Dr. Pepper/Seven Up Bottling Group, Inc. Term L<br>B, 6.08% - 6.159% due 12/19/2010            |
|   | 844,167    | Pierre Foods, Inc. Term Loan B, 6.37% - 6.56% d<br>6/30/2010                                   |
| Gaming - 5.7%                               | 1,975,000  | Boyd Gaming Corp. Term Loan, 5.52% - 5.70%<br>due 6/30/2011                                    |
|   | 895,085    | Global Cash Access LLC Term Loan B, 6.47% due<br>3/10/2010                                     |
|   | 1,970,113  | Green Valley Ranch Gaming LLC Term Loan, 6.02%<br>due 12/22/2010                               |
|   | 900,000    | Isle of Capri Black Hawk Term Loan B, 5.85% - 6<br>due 10/24/2011                              |
|   | 997,500    | Isle of Capri Casinos, Inc. Tranche 3 Delay Dra<br>Loan, 5.95% due 2/04/2011                   |
|   | 3,250,000  | Penn National Gaming, Inc. Term Loan B, 6.22% -<br>6.51% due 9/01/2007                         |
|   | 1,560,096  | Pinnacle Entertainment, Inc. Delay Draw Term Lo<br>7.22% due 8/27/2010                         |
|   | 1,800,000  | Pinnacle Entertainment, Inc. Term Loan B, 7.22%<br>8/27/2010                                   |
|   | 870,000    | Trump Entertainment Resorts Holdings LP Revolvi<br>Line of Credit, 6.21% - 6.85% due 5/01/2010 |
|   | 1,496,250  | Trump Entertainment Resorts Holdings LP Term Lo<br>B-1, 6.14% due 5/01/2012                    |

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|                               |           |   |
|-------------------------------|-----------|---|
|                               | 1,000,000 | Venetian Casino Resort LLC Delayed Draw Term Loan, 5.77% due 6/15/2011            |
|                               | 3,100,000 | Venetian Casino Resort LLC Term Loan B, 5.77% due 6/15/2011                       |
| Health Care - 4.4%            | 2,877,273 | Colgate Medical Term Loan B, 6.01% - 6.03% due 12/15/2008                         |
|                               | 2,772,000 | Community Health Systems, Inc. Term Loan, 5.97% - 6.16% due 8/19/2011             |
|                               | 3,300,000 | DaVita Inc. Tranche B Term Loan, 6.35% - 6.64% due 10/05/2012                     |
|                               | 1,250,000 | Duloxetine Royalty Term Loan, 8.688% due 10/18/2011                               |
|                               | 1,963,828 | HealthSouth Corp. Term Loan, 6.53% due 3/08/2010                                  |
|                               | 531,250   | HealthSouth Corp. Tranche B Term Loan, 6.364% due 3/08/2010                       |
|                               | 1,949,458 | LifePoint Hospitals, Inc. Term Loan B, 6.185% due 4/15/2012                       |
|                               | 678,042   | Rotech Healthcare, Inc. Term Loan B, 7.03% due 3/31/2008                          |
| Housing - 3.9%                | 2,086,541 | General Growth Properties, Inc. Term Loan B, 6.00% - 6.25% due 11/12/2008         |
|                               | 3,088,961 | Headwaters, Inc. Term Loan B-1, 6.43% - 8.25% due 4/30/2011                       |
|                               | 1,406,053 | Lions Gables Realty Term Loan B, 5.84% due 9/30/2011                              |
|                               | 2,468,750 | Nortek, Inc. Term Loan, 5.91% due 8/27/2011                                       |
|                               | 4,452,057 | PGT Industries, Inc. Term Loan A, 7.14% - 7.23% due 1/29/2010                     |
| Information Technology - 2.2% | 3,530,000 | Fidelity National Information Solutions, Inc. Term Loan B, 5.864% due 3/09/2013   |
|                               | 1,995,000 | SunGard Data Systems, Inc. Term Loan B, 6.68% - 6.81% due 2/11/2013               |
|                               | 1,990,000 | Telcordia Technologies, Inc. Term Loan, 6.51% - 6.906% due 9/15/2012              |
| Leisure - 1.2%                | 4,000,000 | 24 Hour Fitness Term Loan B, 6.78% due 6/08/2011                                  |
| Manufacturing - 5.1%          | 2,222,222 | Communications & Power Industries, Inc. Term Loan B, 6.37% due 7/23/2010          |
|                               | 2,000,000 | Invensys International Holdings Ltd. Second Lien Term Loan, 8.529% due 12/04/2009 |
|                               | 302,318   | Itron, Inc. Tranche C Term Loan, 5.938% - 8.25% due 12/17/2010                    |
|                               | 2,487,500 | Metokote Corp. Second Lien Term Loan, 7.17% - 7.25% due 11/27/2011                |
|                               | 4,500,000 | Mueller Group LLC Term Loan B, 6.304% - 6.656% due 10/03/2012                     |
|                               | 5,284,783 | Sensus Metering Systems, Inc. Term Loan B-1, 6.54% due 12/17/2010                 |
|                               | 824,511   | Sensus Metering Systems, Inc. Term Loan B-2, 6.54% due 12/19/2010                 |

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|                           |           |  |
|---------------------------|-----------|--|
| Packaging - 4.3%          | 6,051,611 | Berry Plastics Corp. Term Loan, 5.855% due 7/22                              |
|                           | 2,977,500 | Graham Packaging Co. LP Term Loan B, 6.375% - 6.625% due 10/07/2011          |
|                           | 1,980,000 | Intertape Polymer US, Inc. Term Loan B, 6.084% 6.38% due 7/28/2011           |
|                           | 525,619   | Owens-Illinois Group, Inc. Term Loan B-1, 5.92% 4/01/2008                    |
|                           | 3,240,129 | Owens-Illinois Group, Inc. Tranche Term Loan C, 6.12% due 4/01/2008          |
| Paper - 2.1%              | 1,362,429 | Boise Cascade Holdings LLC Tranche D Term Loan, 5.781% - 6% due 10/28/2011   |
|                           | 1,972,738 | SP Newsprint Co. Tranche B-1 Credit Linked Depo 4.194% due 1/09/2010         |
|                           | 803,551   | SP Newsprint Co. Tranche B-1 Term Loan, 6.37% - 6.47% due 1/09/2010          |
|                           | 2,276,912 | Smurfit Stone Container Corp. Term Loan B, 5.87 6.438% due 11/01/2011        |
|                           | 700,588   | Smurfit Stone Container Corp. Tranche C, 5.875% 6.125% due 11/01/2011        |
| Retail - 1.4%             | 1,750,000 | American Reprographics Co. LLC Second Lien Term Loan, 10.636% due 12/18/2009 |
|                           | 1,691,476 | General Nutrition Centers, Inc. Tranche B Term 7.22% - 7.40% due 12/05/2009  |
|                           | 1,500,000 | The Neiman Marcus Group, Inc. Term Loan, 6.475% due 4/06/2013                |
| Service - 1.8%            | 2,863,750 | Buhrmann USA, Inc. Term Loan C, 6.386% - 6.585% due 12/23/2010               |
|                           | 2,475,431 | Coinstar, Inc. Term Loan, 6.10% due 7/07/2011                                |
|                           | 812,193   | United Rentals, Inc. Term Loan, 6.45% due 2/14/                              |
|                           | 164,912   | United Rentals, Inc. Tranche B Credit Linked De 6.114% due 2/14/2011         |
| Telecommunications - 0.6% | 2,172,500 | Consolidated Communications, Inc. Term Loan D, 6.27% - 6.618% due 10/14/2011 |
| Utility - 13.2%           | 1,571,429 | AES Corp. Term Loan, 5.07% - 5.69% due 4/30/200                              |
|                           | 4,902,198 | Calpine Corp. Term Loan B, 9.90% due 7/16/2007                               |
|                           | 1,500,000 | Calpine Generating Co. LLC First Lien Term Loan 7.839% due 4/01/2009         |
|                           | 2,500,000 | Calpine Generating Co. LLC Second Lien Term Loa 9.839% due 3/11/2010         |
|                           | 3,650,562 | Cogentrix Delaware Holdings, Inc. Term Loan, 5. due 4/15/2012                |
|                           | 2,487,805 | Covanta Energy Corp. First Lien Letter of Credi 3.36% due 6/24/2012          |
|                           | 2,012,195 | Covanta Energy Corp. First Lien Term Loan, 6.46 due 6/24/2012                |
|                           | 2,494,970 | Covanta Energy Corp. Second Lien Term Loan, 9.461% - 9.691% due 6/24/2013    |
|                           | 1,425,000 | El Paso Corp. Deposit Account, 2.616% due 11/23                              |

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|                                |           |   |
|--------------------------------|-----------|---|
|                                | 2,337,000 | El Paso Corp. Term Loan, 6.813% due 11/23/2009                        |
|                                | 4,975,000 | KGen LLC Tranche A Term Loan, 6.645% due 8/05/2011                    |
|                                | 2,500,000 | LSP Kendall Term Loan A, 6.09% due 10/07/2013                         |
|                                | 437,251   | Midwest Generation LLC Term Loan C, 6.05% - 6.25% due 4/27/2011       |
|                                | 700,000   | NRG Energy Credit Linked Deposit, 3.92% due 12/24/2007                |
|                                | 893,250   | NRG Energy Term Loan, 5.895% due 12/24/2011                           |
|                                | 2,358,333 | Quanta Services, Inc. Credit Linked Deposit, 3.688% due 6/19/2008     |
|                                | 3,076,750 | Reliant Energy, Inc. Term Loan, 6.089% - 6.566% due 4/30/2010         |
|                                | 2,035,923 | Texas Genco LLC Delayed Draw Term Loan, 5.87% - 6.114% due 12/14/2011 |
|                                | 4,916,692 | Texas Genco LLC Term Loan B, 5.87% - 6.114% due 12/14/2011            |
| Wireless Communications - 0.7% | 2,308,875 | Centennial Cellular Operating Co. Term Loan, 5.656% due 2/09/2011     |
|                                |           | Total Floating Rate Loan Interests<br>(Cost - \$319,816,938) - 92.0%  |
|                                |           | Corporate Bonds   |
| Aerospace & Defense - 0.2%     | 575,000   | L-3 Communications Corp., 6.375% due 10/15/2015                       |
| Automotive - 0.2%              | 700,000   | Tenneco Automotive, Inc., 8.625% due 11/15/2014                       |
| Broadcasting - 3.4%            | 2,150,000 | Emmis Communications Corp., 10.366% due 6/15/2012 (a)                 |
|                                | 4,000,000 | Granite Broadcasting Corp., 9.75% due 12/01/2011                      |
|                                | 5,750,000 | Paxson Communications Corp., 6.90% due 1/15/2011                      |
|                                | 250,000   | XM Satellite Radio, Inc., 9.75% due 5/01/2009 (b)                     |
| Cable - International - 0.1%   | 375,000   | NTL Cable Plc, 8.75% due 4/15/2014                                    |
| Cable - U.S. - 0.3%            | 750,000   | Intelsat Bermuda Ltd., 8.695% due 1/15/2012 (a)                       |
|                                | 500,000   | Intelsat Bermuda Ltd., 8.25% due 1/15/2013 (b)                        |
| Chemicals - 1.5%               | 2,011,000 | GEO Specialty Chemicals, Inc., 12.016% due 12/31/2009 (c)             |
|                                | 1,125,000 | Nova Chemical Corp., 7.561% due 11/15/2013 (a)                        |
|                                | 2,275,000 | PolyOne Corp., 10.625% due 5/15/2010                                  |
| Consumer - Non-Durables - 0.8% | 250,000   | Elizabeth Arden, Inc., 7.75% due 1/15/2014                            |
|                                | 2,000,000 | Playtex Products, Inc., 8% due 3/01/2011                              |
|                                | 350,000   | Samsonite Corp., 8.875% due 6/01/2011                                 |
| Diversified Media - 0.1%       | 250,000   | Universal City Florida Holding Co. I, 9% due 12/31/2011               |

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5/01/2010 (a)

|  |           |   |
|--|-----------|---|
| Energy - Exploration & Production - 0.1% | 250,000   | Belden & Blake Corp., 8.75% due 7/15/2012                               |
| Energy - Other - 0.1%                    | 250,000   | Aventine Renewable Energy Holdings, Inc., 10.49% due 12/15/2011 (a) (b) |
| Food & Tobacco - 1.2%                    | 250,000   | AmeriQual Group LLC, 9% due 4/01/2012 (b)                               |
|  | 3,000,000 | Smithfield Foods, Inc., 7% due 8/01/2011                                |
|  | 1,050,000 | The Wornick Co., 10.875% due 7/15/2011                                  |
| Gaming - 2.2%                            | 5,000,000 | Majestic Star Casino LLC, 9.50% due 10/15/2010                          |
|  | 250,000   | Mohegan Tribal Gaming Authority, 7.125% due 8/15/2014                   |
|  | 325,000   | River Rock Entertainment Authority, 9.75% due 11/01/2011                |
|  | 1,275,000 | Station Casinos, Inc., 6% due 4/01/2012                                 |
|  | 775,000   | Station Casinos, Inc., 6.50% due 2/01/2014                              |
| Health Care - 0.2%                       | 575,000   | US Oncology, Inc., 9% due 8/15/2012                                     |
| Information Technology - 3.6%            | 4,050,000 | Freescale Semiconductor, Inc., 6.90% due 7/15/2012                      |
|  | 4,625,000 | MagnaChip Semiconductor SA, 7.741% due 12/15/2011 (a)                   |
|  | 1,825,000 | Sungard Data Systems, Inc., 8.525% due 8/15/2012                        |
|  | 1,900,000 | Sungard Data Systems, Inc., 10.25% due 8/15/2012                        |
| Leisure - 1.6%                           | 5,400,000 | Felcor Lodging LP, 8.83% due 6/01/2011 (a)                              |
| Manufacturing - 2.0%                     | 250,000   | Altra Industrial Motion, Inc., 9% due 12/01/2012                        |
|  | 2,500,000 | Case New Holland, Inc., 6% due 6/01/2009                                |
|  | 325,000   | ERICO International Corp., 8.875% due 3/01/2012                         |
|  | 2,900,000 | Invensys Plc, 9.875% due 3/15/2011 (b)                                  |
|  | 1,369,000 | Medis Technologies Ltd., 6% due 7/15/2010 (b) (c)                       |
| Metal - Other - 0.2%                     | 700,000   | Novelis, Inc., 7.25% due 2/15/2015                                      |
| Packaging - 0.4%                         | 1,725,000 | Wise Metals Group LLC, 10.25% due 5/15/2012                             |
| Paper - 2.3%                             | 2,650,000 | Abitibi-Consolidated, Inc., 7.991% due 6/15/2012                        |
|  | 700,000   | Ainsworth Lumber Co. Ltd., 7.77% due 10/01/2010                         |
|  | 250,000   | Boise Cascade LLC, 7.025% due 10/15/2012 (a)                            |
|  | 725,000   | Domtar, Inc., 7.125% due 8/15/2015                                      |
|  | 925,000   | NewPage Corp., 10.50% due 5/01/2012 (a)                                 |
|  | 2,912,000 | Western Forest Products, Inc., 15% due 7/28/2009                        |
| Retail - 1.0%                            | 1,600,000 | Jean Coutu Group, Inc., 8.50% due 8/01/2014                             |
|  | 2,000,000 | Neiman-Marcus Group, Inc., 9% due 10/15/2015 (b)                        |

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|--------------------------------|--------------|---|
| Service - 1.8%                 | 250,000      | Ahern Rentals, Inc., 9.25% due 8/15/2013 (b)                      |
|                                | 3,375,000    | Allied Waste North America, Inc. Series B, 7.37% due 4/15/2014    |
|                                | 600,000      | Dycom Industries, Inc., 8.125% due 10/15/2015 (b)                 |
|                                | 250,000      | Mac-Gray Corp., 7.625% due 8/15/2015                              |
|                                | 2,000,000    | Sunstate Equipment Co. LLC, 10.50% due 4/01/2015                  |
| Steel - 2.4%                   | 3,000,000    | CSN Islands VIII Corp., 9.75% due 12/16/2013 (b)                  |
|                                | 5,000,000    | Ispat Inland ULC, 10.804% due 4/01/2010 (a)                       |
| Telecommunications - 4.7%      | 6,000,000    | Cincinnati Bell, Inc., 8.375% due 1/15/2014                       |
|                                | 3,700,000    | Qwest Communications International, Inc., 7.84% due 2/15/2009 (a) |
|                                | 1,450,000    | Qwest Corp., 7.741% due 6/15/2013 (a)(b)                          |
|                                | 2,000,000    | Terremark Worldwide, Inc., 9% due 6/15/2009 (c)                   |
|                                | 3,500,000    | Time Warner Telecom Holdings, Inc., 8.34% due 2/15/2011 (a)       |
| Utility - 2.5%                 | 2,000,000    | Aquila, Inc., 7.625% due 11/15/2009                               |
|                                | 3,000,000    | Calpine Canada Energy Finance Ulc, 8.50% due 5/01/2008            |
|                                | 3,000,000    | Calpine Corp., 9.875% due 12/01/2011 (b)                          |
|                                | 4,000,000    | Reliant Energy, Inc., 6.75% due 12/15/2014                        |
| Wireless Communications - 1.4% | 3,250,000    | Rogers Wireless Communications, Inc., 7.616% due 12/15/2010 (a)   |
|                                | 1,100,000    | Rogers Wireless Communications, Inc., 7.25% due 12/15/2012        |
|                                | 250,000      | Rural Cellular Corp., 8.991% due 3/15/2010 (a)                    |
|                                |              | Total Corporate Bonds (Cost - \$121,725,651) - 3.1%               |
|                                | Shares Held  | Common Stocks   |
| Chemicals - 0.0%               | 13,117       | GEO Specialty Chemicals, Inc. (e)                                 |
| Energy - Other - 0.9%          | 127,985      | Trico Marine Services, Inc. (e)                                   |
| Paper - 0.1%                   | 84,448       | Western Forest Products, Inc. (e)                                 |
|                                |              | Total Common Stocks (Cost - \$2,943,636) - 1.0%                   |
|                                | Warrants (d) |   |
| Utility - 0.0%                 | 4,558        | Reliant Resources (expires 10/25/2008)                            |
|                                |              | Total Warrants (Cost - \$0) - 0.0%                                |



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Total Investments (Cost - \$444,486,225\*) - 127.  
Liabilities in Excess of Other Assets - (27.3%)

Net Assets - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2005, as computed for federal income tax purposes, were as follows:

|                               |    |             |
|-------------------------------|----|-------------|
| Aggregate cost                | \$ | 444,420,510 |
|                               |    | =====       |
| Gross unrealized appreciation | \$ | 6,550,061   |
| Gross unrealized depreciation |    | (6,456,800) |
|                               |    | -----       |
| Net unrealized appreciation   | \$ | 93,261      |
|                               |    | =====       |

\*\* Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically predetermined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more major European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate.

- (a) Floating rate note.
- (b) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (c) Convertible security.
- (d) 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.
- (e) Non-income producing security.
- (f) Represents a pay-in-kind security that may pay interest/dividends in additional face/shares.

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

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

| Affiliate  | Net Activity | Interest Income |
|--|--------------|-----------------|
| Merrill Lynch Liquidity Series, LLC<br>Cash Sweep Series I | -            | \$ 10,432       |

Swap contracts outstanding as of November 30, 2005 were as follows:

| Notional Amount | Unrealized Depreciation |
|-----------------|-------------------------|
|-----------------|-------------------------|

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Sold credit default protection on  
General Motors Corp.  
and receive 4.40%

Broker, Morgan Stanley Capital  
Services, Inc.

Expires June 2007

\$ 3,000,000

\$ (360,060)

Currency Abbreviations:

EUR Euro  
USD U.S. Dollar

### Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is 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.

Floating Rate Income Strategies Fund, Inc.

By: /s/ Robert C. Doll, Jr.

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Robert C. Doll, Jr.  
Chief Executive Officer  
Floating Rate Income Strategies Fund, Inc.

Date: January 25, 2006

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.

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By: /s/ Robert C. Doll, Jr.  
-----  
Robert C. Doll, Jr.  
Chief Executive Officer  
Floating Rate Income Strategies Fund, Inc.

Date: January 25, 2006

By: /s/ Donald C. Burke  
-----  
Donald C. Burke  
Chief Financial Officer  
Floating Rate Income Strategies Fund, Inc.

Date: January 25, 2006