BLACKROCK FLOATING RATE INCOME STRATEGIES FUND, INC.
Form N-CSRS
May 01, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21413

Name of Fund: BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Floating Rate Income Strategies Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2015

Date of reporting period: 02/28/2015

Item 1 – Report to Stockholders

FEBRUARY 28, 2015

SEMI-ANNUAL REPORT (UNAUDITED)

BlackRock Defined Opportunity Credit Trust (BHL)

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

BlackRock Limited Duration Income Trust (BLW)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Market volatility, while remaining below the long-term average level, increased over the course of 2014 and into 2015, driven largely by higher valuations in risk assets (such as equities and high yield bonds), geopolitical risks, uneven global economic growth and uncertainty around policy moves from the world s largest central banks. As the U.S. Federal Reserve (the Fed) gradually reduced its bond buying program (which ultimately ended in October 2014), U.S. interest rates surprisingly trended lower during the period.

The first half of 2014 was generally a strong period for most asset classes; however, volatility ticked up in the summer as geopolitical tensions intensified in Ukraine and the Middle East and investors feared that better U.S. economic indicators may compel the Fed to increase short-term interest rates sooner than previously anticipated. Global credit markets tightened as the U.S. dollar strengthened versus other currencies, ultimately putting a strain on investor flows, and financial markets broadly weakened in the third quarter.

Several themes dominated the markets in the fourth quarter that resulted in the strong performance of U.S. markets versus other areas of the world. Economic growth strengthened considerably in the United States while the broader global economy showed signs of slowing. The European Central Bank and the Bank of Japan took aggressive measures to stimulate growth while the Fed moved toward tighter policy, causing further strengthening in the U.S. dollar. Fixed income investors piled into U.S. Treasuries where yields remained persistently low, but were comparatively higher than yields on international sovereign debt, while equity investors favored the relative stability of U.S.-based companies amid rising global risks.

Oil prices, which had been gradually declining since mid-summer, plummeted in the fourth quarter due to a global supply-and-demand imbalance. Energy-related assets sold off sharply and emerging markets struggled as many of those economies rely heavily on oil exports. Conversely, the consumer sectors benefited from lower oil prices as savings at the gas pumps freed up discretionary income for other goods and services.

These trends shifted in early 2015. U.S. equities underperformed international markets given high valuations and the anticipation of a rate hike from the Fed. Oil prices showed signs of stabilizing as suppliers became more disciplined in their exploration and production efforts. Markets in Europe and Japan rebounded, driven largely by central bank policy accommodation and improving economic data.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today s markets.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

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President, BlackRock Advisors, LLC

Total Returns as of February 28, 2015

	6-month	**12-month**
U.S. large cap equities (S&P 500® Index)	6.12 %	15.51%
U.S. small cap equities (Russell 2000® Index)	5.70	5.63
International equities (MSCI Europe, Australasia, Far East Index)	(1.26)	(0.03)
Emerging market equities (MSCI Emerging Markets Index)	(8.30)	5.01
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.01	0.03
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	4.14	8.66
U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	2.25	5.05
Tax-exempt municipal bonds (S&P Municipal Bond Index)	2.17	6.47
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(0.08)	2.81

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

Fund Summary as of February 28, 2015 **BlackRock Defined Opportunity Credit Trust**

Fund Overview

BlackRock Defined Opportunity Credit Trust s (BHL) (the Fund) primary investment objective is to provide high current income, with a secondary objective of long-term capital appreciation. The Fund seeks to achieve its investment objectives by investing substantially all of its assets in loan and debt instruments and loan-related and debt-related instruments (collectively credit securities). The Fund invests, under normal market conditions, at least 80% of its assets in any combination of the following credit securities: (i) senior secured floating rate and fixed rate loans; (ii) second lien or other subordinated or unsecured floating rate and fixed rate loans or debt; (iii) credit securities that are rated below investment grade quality; and (iv) investment grade corporate bonds. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended February 28, 2015, the Fund returned (0.79)% based on market price and 1.51% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (0.11)% based on market price and 0.30% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

During the six months ended February 28, 2015, the loan market declined at the end of 2014, before experiencing a recovery that began around the latter part of January 2015. Overall, this resulted in a modest positive return on loans for the full period. Positive performance within the Fund was spread broadly throughout the portfolio, with the most significant contributions generally from among the Fund s top 25 holdings. Given the positive returns experienced, the Fund s use of leverage added to performance for the period.

During the six-month period, oil prices experienced a significant decline and most commodity prices came under pressure as well. As a result, prices for the Fund s holdings within the energy sector fell notably during the period and detracted from returns. The metals & mining sector, while a smaller component of the portfolio, detracted as well. The electric segment, and in particular Texas Utilities, was also a detractor. Finally, the Fund s modest position in equities was a negative contributor.

Describe recent portfolio activity.

During the period, the Fund maintained its overall focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. Since the average loan has recently been trading at a slight discount to par (i.e., with limited upside), the Fund has concentrated its investments in strong companies with stable cash flows, high quality collateral, and the ability to meet interest obligations and ultimately return principal. The Fund has been actively participating in the new-issue market when possible, however, new issuance for loans is at its lowest level in years. In view of limited upside within the CCC-rated loans space, the Fund reduced its exposure there to a modest amount in line with the benchmark. The Fund added fixed-coupon high yield bonds as valuations in that market moved to a more attractive point during the period.

Describe portfolio positioning at period end.

At period end, the Fund held a majority of its total portfolio in floating rate loan interests (bank loans), with the small remainder in corporate bonds and other interests. The Fund maintained its highest concentration in higher coupon B-rated loans of select issuers while limiting exposure to low coupon BB-rated loans. Additionally, the Fund held a modest position in CCC-rated loans, while generally maintaining low exposure to lower quality, less liquid loans.

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

BlackRock Defined Opportunity Credit Trust

Fund Information

Symbol on New York Stock Exchange (NYSE)	BHL
Initial Offering Date	January 31, 2008
Current Distribution Rate on Closing Market Price as of February 28, 2015 ($13.17)[1]	5.31%
Current Monthly Distribution per Common Share[2]	$0.0583
Current Annualized Distribution per Common Share[2]	$0.6996
Economic Leverage as of February 28, 2015[3]	29%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

3 Represents bank borrowings outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

Market Price and Net Asset Value Per Share Summary

	2/28/15	8/31/14	Change	High	Low
Market Price	$13.17	$13.84	(4.84)%	$13.89	$12.61
Net Asset Value	$14.03	$14.41	(2.64)%	$14.42	$13.72

Market Price and Net Asset Value History For the Past Five Years

Overview of the Fund s Total Investments

Portfolio Composition	2/28/15	8/31/14[4]
Floating Rate Loan Interests	93%	94%
Corporate Bonds	4	2
Asset-Backed Securities	3	2
Short-Term Securities		1
Common Stocks	[5]	1
Other[6]		

4 Information has been revised to conform to current year presentation.

5 Representing less than 1% of the Fund s total investments.

6 Includes a less than 1% holding in each of the following investment types: Investment Companies, Non-Agency Mortgage-Backed Securities and Warrants.

Credit Quality Allocation[7,8]	2/28/15	8/31/14
BBB/Baa	7 %	6 %
BB/Ba	45	43
B	42	44

CCC/Caa	3	4
N/R	3	3

7 For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor s (S&P) or Moody s Investors Service (Moody s) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

8 Excludes short-term securities.

Fund Summary as of February 28, 2015 **BlackRock Floating Rate Income Strategies Fund, Inc.**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended February 28, 2015, the Fund returned (0.09)% based on market price and 1.48% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (0.11)% based on market price and 0.30% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

During the six months ended February 28, 2015, the loan market declined at the end of 2014, before experiencing a recovery that began around the latter part of January 2015. Overall, this resulted in a modest positive return on loans for the full period. Positive performance within the Fund was spread broadly throughout the portfolio, with the most significant contributions generally from among the Fund s top 25 holdings. Given the positive returns experienced, the Fund s use of leverage added to performance for the period.

During the six-month period, oil prices experienced a significant decline and most commodity prices came under pressure as well. As a result, prices for the Fund s holdings within the energy sector fell notably during the period and detracted from returns. The metals & mining sector, while a smaller component of the portfolio, detracted as well. The electric segment, and in particular Texas Utilities, was also a detractor. Finally, the Fund s modest position in equities was a negative contributor.

Describe recent portfolio activity.

During the period, the Fund maintained its overall focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. Since the average loan has recently been trading at a slight discount to par (i.e., with limited upside), the Fund has concentrated its investments in strong companies with stable cash flows, high quality collateral and with the ability to meet interest obligations and ultimately return principal. The Fund has been actively participating in the new-issue market when possible, however, new issuance for loans is at its lowest level in years. In view of limited upside within the CCC-rated loans space, the Fund reduced its exposure there to a modest amount in line with the benchmark. The Fund added fixed-coupon high yield bonds as valuations in that market moved to a more attractive point during the period.

Describe portfolio positioning at period end.

At period end, the Fund held a majority of its total portfolio in floating rate loan interests (bank loans), with the small remainder in corporate bonds and other interests. The Fund maintained its highest concentration in higher coupon B-rated loans of select issuers while limiting exposure to low coupon BB-rated loans. Additionally, the Fund held a modest position in CCC-rated loans, while generally maintaining low exposure to lower quality, less liquid loans.

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BlackRock Floating Rate Income Strategies Fund, Inc.

Fund Information

Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Current Distribution Rate on Closing Market Price as of February 28, 2015 ($13.83)[1]	5.85%
Current Monthly Distribution per Common Share[2]	$0.0674
Current Annualized Distribution per Common Share[2]	$0.8088
Economic Leverage as of February 28, 2015[3]	29%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

3 Represents bank borrowings outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

Market Price and Net Asset Value Per Share Summary

	2/28/15	8/31/14	Change	High	Low
Market Price	$13.83	$14.26	(3.02)%	$14.32	$12.96
Net Asset Value	$15.15	$15.38	(1.50)%	$15.38	$14.69

Market Price and Net Asset Value History For the Past Five Years

Overview of the Fund s Total Investments

Portfolio Composition	2/28/15	8/31/14[4]
Floating Rate Loan Interests	92%	93%
Corporate Bonds	4	3
Asset-Backed Securities	3	2
Common Stocks	1	1
Other[5]		1

4 Information has been revised to conform to current year presentation.

5 Includes a less than 1% holding in each of the following investment types: Investment Companies, Non-Agency Mortgage-Backed Securities, Options Purchased, Other Interests, Short-Term Securities and Warrants.

Credit Quality Allocation[6,7]	2/28/15	8/31/14
BBB/Baa	7 %	6 %
BB/Ba	44	43

B	41	43
CCC/Caa	4	4
N/R	4	4

6 For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody s if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

7 Excludes short-term securities.

Fund Summary as of February 28, 2015 **BlackRock Limited Duration Income Trust**

Fund Overview

BlackRock Limited Duration Income Trust s (BLW) (the Fund) investment objective is to provide current income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in three distinct asset classes:

- intermediate duration, investment grade corporate bonds, mortgage-related securities, asset-backed securities and U.S. Government and agency securities;
- senior, secured floating rate loans made to corporate and other business entities; and
- U.S. dollar-denominated securities of U.S. and non-U.S. issuers rated below investment grade and, to a limited extent, non-U.S. dollar denominated securities of non-U.S. issuers rated below investment grade.

The Fund s portfolio normally has an average portfolio duration of less than five years (including the effect of anticipated leverage), although it may be longer from time to time depending on market conditions. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended February 28, 2015, the Fund returned (0.71)% based on market price and 1.32% based on net asset value (NAV). For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (2.46)% based on market price and (1.60)% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The main contributors to the Fund s absolute performance were its exposure to non-U.S. dollar securities, high yield, term loans, asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS). Other contributors included agency mortgage-backed securities (MBS) 15-year pass-throughs and emerging market debt.

The main detractors from the Fund s absolute performance during the period were its positions in preferred equities, its duration exposure through U.S. Treasuries and its positions in investment grade credit.

The Fund held derivatives during the reporting period, which had a neutral effect on performance..

Describe recent portfolio activity.

The Fund s allocations remained consistent throughout the six-month period, with its largest positions in high yield and investment grade corporate credit, followed by allocations in securitized credit, including ABS and CMBS.

Describe portfolio positioning at period end.

At period end, the Fund maintained a diversified exposure to non-government spread sectors including high yield and investment grade corporate credit, as well as CMBS, ABS and agency and non-agency residential MBS.

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

BlackRock Limited Duration Income Trust

Fund Information

Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Current Distribution Rate on Closing Market Price as of February 28, 2015 ($15.98)[1]	7.47%
Current Monthly Distribution per Common Share[2]	$0.0995
Current Annualized Distribution per Common Share[2]	$1.1940
Economic Leverage as of February 28, 2015[3]	30%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

3 Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

Market Price and Net Asset Value Per Share Summary

	2/28/15	8/31/14	Change	High	Low
Market Price	$15.98	$16.81	(4.94)%	$16.84	$14.99
Net Asset Value	$17.55	$18.09	(2.99)%	$18.10	$17.12

Market Price and Net Asset Value History For the Past Five Years

Overview of the Fund s Total Investments

Portfolio Composition	2/28/15	8/31/14[4]
Corporate Bonds	38%	42%
Floating Rate Loan Interests	30	32
Asset-Backed Securities	11	5
Non-Agency Mortgage-Backed Securities	9	7
Preferred Securities	7	8
U.S. Government Sponsored Agency Securities	4	4
Foreign Agency Obligations	1	[5]
Common Stocks	[5]	1
Short-Term Securities	[5]	1
Other[6]	[6]	[7]

4 Information has been revised to conform to current year presentation.

5 Representing less than 1% of the Fund s total investments.

6 Includes a less than 1% holding in each of the following investment types: Options Purchased, Options Written, Other Interests and Warrants.

7

Includes a less than 1% holding in each of the following investment types: Options Purchased, Other Interests and Warrants.

Credit Quality Allocation[8, 9]	2/28/15	8/31/14
AAA/Aaa[10]	6 %	6 %
AA/Aa	2	2
A	6	3
BBB/Baa	16	15
BB/Ba	31	32
B	29	31
CCC/Caa	5	7
N/R	5	4

8 For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody s if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

9 Excludes short-term securities.

10 The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuer. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and net asset value (NAV) of their common shares (Common Shares). However, these objectives cannot be achieved in all interest rate environments.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund s shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Fund s capitalization is $100 million and it utilizes leverage for an additional $30 million, creating a total value of $130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund s financing costs on the $30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Fund s financing cost of leverage are significantly lower than the income earned on the Fund s longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares (Common Shareholders) are the beneficiaries of the incremental net income.

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Fund s return on assets purchased with leverage proceeds, income to shareholders is lower than if the Fund had not used leverage. Furthermore, the value of the Fund s portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value

of portfolio investments. In contrast, the value of the Fund s obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund s NAV positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Fund s intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Funds NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Fund s shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund s ability to invest in certain types of securities or use certain types of hedging strategies. The Fund will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shares.

Each Fund may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act), each Fund is permitted to issue debt up to 33⅓% of its total managed assets. A Fund may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Fund may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

If a Fund segregates or designates on its books and records cash or liquid assets having values not less than the value of the Fund s obligations under the reverse repurchase agreement (including accrued interest), then such transaction will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments. Derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative

financial instrument. The Funds ability to use a derivative financial instrument successfully depends on the investment advisor s ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments February 28, 2015 (Unaudited)

BlackRock Defined Opportunity Credit Trust (BHL)
(Percentages shown are based on Net Assets)

Common Stocks (a)		**Shares**	**Value**
Diversified Consumer Services 0.1%			
Cengage Thomson Learning		8,922	$ 192,385
Software 0.4%			
HMH Holdings/EduMedia.		24,355	481,742
Total Common Stocks 0.5%			674,127

Asset-Backed Securities (b)		**Par (000)**	
ALM Loan Funding, Series 2013-7RA, Class C, 3.71%, 4/24/24 (c)	USD	500	485,153
ALM XIV Ltd., Series 2014-14A, Class C, 3.71%, 7/28/26 (b)		713	676,264
Atlas Senior Loan Fund Ltd., Series 2014-6A, Class D, 3.96%, 10/15/26 (c)		250	237,940
Atrium CDO Corp., Series 9A, Class D, 3.76%, 2/28/24 (c)		250	240,265
Carlyle Global Market Strategies CLO Ltd., Series 2012-4A, Class D, 4.76%, 1/20/25 (c)		250	252,739
Cent CLO 22, Ltd., Series 2014-22A, Class C, 3.98%, 11/07/26 (c)		250	237,350
Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.26%, 4/20/23 (c)		215	212,614
LCM LP, 0.00%, 4/20/27 (d)(e)		500	431,250
North End CLO Ltd., Series 2013-1A, Class D, 3.76%, 7/17/25 (c)		250	234,781
Octagon Investment Partners XVII Ltd., Series 2013-1A, Class D, 3.46%, 10/25/25 (c)		250	233,021
Octagon Investment Partners XX Ltd., Series 2014-1A, Class C, 3.06%, 8/12/26 (c)		250	242,313
Symphony CLO Ltd., Series 2012-10A, Class D, 5.51%, 7/23/23 (c)		350	350,322
Voya CLO, Ltd., Series 2014-4A, Class SUB, 0.00%, 10/14/26 (e)		1,000	940,700
Total Asset-Backed Securities 3.8%			4,774,712

Corporate Bonds		
Airlines 0.7%		
American Airlines Pass-Through Trust, Series 2013-2, Class C, 6.00%, 1/15/17 (b)	250	252,500
Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 12/17/16	44	49,397
US Airways Pass-Through Trust, Series 2012-2, Class C, 5.45%, 6/03/18	590	609,175
		911,072
Auto Components 0.4%		
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:		
3.50%, 3/15/17	164	166,050
4.88%, 3/15/19	325	334,360
		500,410
Chemicals 0.1%		
INEOS Finance PLC, 8.38%, 2/15/19 (b)	110	117,315
Commercial Services & Supplies 0.3%		
Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 3.01%, 12/01/17 (c)	68	68,340

Corporate Bonds	**Par (000)**	**Value**
Commercial Services & Supplies (concluded)		

AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)	USD	232	$ 236,526
United Rentals North America, Inc., 5.75%, 7/15/18		80	83,050
			387,916
Communications Equipment 0.4%			
Avaya, Inc., 7.00%, 4/01/19 (b)		101	102,010
Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20		342	362,520
			464,530
Diversified Financial Services 0.1%			
Reynolds Group Issuer, Inc., 7.13%, 4/15/19		120	124,575
Diversified Telecommunication Services 0.3%			
Level 3 Financing, Inc.:			
3.83%, 1/15/18 (c)		228	230,850
6.13%, 1/15/21		127	134,461
			365,311
Health Care Providers & Services 0.7%			
CHS/Community Health Systems, Inc., 6.88%, 2/01/22		71	75,926
HCA, Inc.:			
5.88%, 5/01/23		85	93,075
5.38%, 2/01/25		185	196,100
Tenet Healthcare Corp. (b):			
5.00%, 3/01/19		325	326,625
5.50%, 3/01/19		240	244,500
			936,226
Independent Power and Renewable Electricity Producers 0.3%			
Dynegy Finance I, Inc./Dynegy Finance II, Inc., 6.75%, 11/01/19 (b)		325	340,031
Media 0.4%			
Altice Financing SA, 6.63%, 2/15/23 (b)		200	208,250
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b)		96	99,240
Numericable Group SA, 6.00%, 5/15/22 (b)		200	203,500
			510,990
Metals & Mining 0.0%			
Novelis, Inc., 8.38%, 12/15/17		60	62,700
Oil, Gas & Consumable Fuels 0.3%			
Antero Resources Finance Corp., 5.38%, 11/01/21		150	151,125
CONSOL Energy, Inc., 5.88%, 4/15/22		140	134,400
EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19		145	148,625
			434,150
Pharmaceuticals 0.2%			
Endo Finance LLC/Endo Finco, Inc., 6.00%, 2/01/25 (b)		225	238,219
Road & Rail 0.2%			
Florida East Coast Holdings Corp., 6.75%, 5/01/19 (b)		196	202,125
Wireless Telecommunication Services 1.0%			
Digicel Group Ltd., 8.25%, 9/30/20 (b)		310	313,565
Sprint Communications, Inc., 7.00%, 3/01/20 (b)		800	886,248
T-Mobile USA, Inc., 6.13%, 1/15/22		50	52,625
			1,252,438
Total Corporate Bonds 5.4%			6,848,008

Portfolio Abbreviations

ABS	Asset-Backed Security	**CR**	Custodian Receipt	**PIK**	Payment-In-Kind
ADS	American Depositary Shares	**DIP**	Debtor-In-Possession	**REMIC**	Real Estate Mortgage Investment Conduit
BROIS	Brazilian Overnight Indexed Swap	**EUR**	Euro	**SGD**	Singapore Dollar
CAD	Canadian Dollar	**GBP**	British Pound	**USD**	U.S. Dollar
CLO	Collateralized Loan Obligation	**OTC**	Over-the-Counter		

See Notes to Financial Statements.

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (c)		**Par (000)**	**Value**
Aerospace & Defense 2.3%			
BE Aerospace, Inc., 2014 Term Loan B, 4.00%, 12/16/21	USD	670	$ 671,394
DigitalGlobe, Inc., Term Loan B, 3.75%, 1/31/20		506	505,198
TASC, Inc., 2nd Lien Term Loan, 12.00%, 5/30/21		275	288,406
Transdigm, Inc.:			
Term Loan C, 3.75%, 2/28/20		221	219,481
Term Loan D, 3.75%, 6/04/21		199	198,222
TransUnion LLC, Term Loan, 4.00%, 4/09/21		1,082	1,076,870
			2,959,571
Air Freight & Logistics 0.4%			
CEVA Group PLC, Synthetic LC, 6.50%, 3/19/21		156	144,061
CEVA Intercompany BV, Synthetic LC, 6.50%, 3/19/21		163	150,780
CEVA Logistics Canada ULC, Canadian Term Loan, 6.50%, 3/19/21		26	23,615
CEVA Logistics US Holdings, Inc., Term Loan, 6.50%, 3/19/21		225	207,973
			526,429
Airlines 0.7%			
Delta Air Lines, Inc., 2018 Term Loan B1, 3.25%, 10/18/18		322	321,832
Northwest Airlines, Inc.:			
2.18%, 3/10/17		148	145,166
1.56%, 9/10/18		218	208,190
US Airways Group, Inc., Term Loan B1, 3.50%, 5/23/19		257	256,515
			931,703
Auto Components 4.5%			
Affinia Group Intermediate Holdings, Inc., Term Loan B2, 4.75%, 4/27/20		282	281,271
Armored Autogroup, Inc., Term Loan B, 6.00%, 11/05/16		57	56,999
Autoparts Holdings Ltd.:			
1st Lien Term Loan, 6.50%, 7/29/17		623	622,638
2nd Lien Term Loan, 10.50%, 1/29/18		200	194,014
Dayco Products LLC, Term Loan B, 5.25%, 12/12/19		356	353,282
FPC Holdings, Inc., 1st Lien Term Loan, 5.25%, 11/19/19		327	322,175
Gates Global, Inc., Term Loan B, 4.25%, 7/05/21		2,005	1,989,436
Goodyear Tire & Rubber Co., 2nd Lien Term Loan, 4.75%, 4/30/19		958	962,531
INA Beteiligungsgesellschaft mbH, Term Loan B, 4.25%, 5/15/20		575	578,594
UCI International, Inc., Term Loan B, 5.50%, 7/26/17		336	336,000
			5,696,940
Automobiles 0.3%			
Chrysler Group LLC, Term Loan B:			
3.25%, 12/31/18		189	188,070
3.50%, 5/24/17		198	198,334
			386,404
Banks 0.3%			
Redtop Acquisitions Ltd.:			
1st Lien Term Loan, 4.50%, 12/03/20		257	257,078
2nd Lien Term Loan, 8.25%, 6/03/21		69	69,300
			326,378
Building Products 3.9%			

Continental Building Products LLC, 1st Lien Term Loan, 4.00%, 8/28/20	336	329,406
CPG International, Inc., Term Loan, 4.75%, 9/30/20	1,264	1,241,603
GYP Holdings III Corp., 1st Lien Term Loan, 4.75%, 4/01/21	318	310,454

Floating Rate Loan Interests (c)		**Par (000)**	**Value**
Building Products (concluded)			
Interline Brands, Inc., 2021 Term Loan, 4.00%, 3/17/21	USD	392	$ 387,463
Jeld-Wen, Inc., Term Loan B, 5.25%, 10/15/21		700	701,750
Nortek, Inc., Term Loan, 3.75%, 10/30/20		478	473,722
Ply Gem Industries, Inc., Term Loan, 4.00%, 2/01/21		223	219,498
Quikrete Holdings, Inc., 1st Lien Term Loan, 4.00%, 9/28/20		383	381,499
Wilsonart LLC:			
Incremental Term Loan B2, 4.00%, 10/31/19		109	107,901
Term Loan B, 4.00%, 10/31/19		784	776,812
			4,930,108
Capital Markets 0.4%			
Affinion Group, Inc.:			
2nd Lien Term Loan, 8.50%, 10/12/18		39	34,474
Term Loan B, 6.75%, 4/30/18		299	284,119
American Capital Holdings, Inc., 2017 Term Loan, 3.50%, 8/22/17		195	194,386
			512,979
Chemicals 4.9%			
Allnex (Luxembourg) & Cy SCA, Term Loan B1, 4.50%, 10/03/19		253	252,404
Allnex USA, Inc., Term Loan B2, 4.50%, 10/03/19		131	130,960
Axalta Coating Systems US Holdings, Inc., Term Loan, 3.75%, 2/01/20		450	445,900
CeramTec Acquisition Corp., Term Loan B2, 4.25%, 8/30/20		27	26,623