

BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC  
Form N-CSR  
November 07, 2011

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 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: 08/31/2011

Date of reporting period: 08/31/2011

Item 1 Report to Stockholders

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# Annual Report

BlackRock Defined Opportunity Credit Trust (BHL)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

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

BlackRock Limited Duration Income Trust (BLW)

**Not FDIC Insured • No Bank Guarantee • May Lose Value**

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## Dear Shareholder

Market volatility has been extraordinary in recent months. Government debt and deficit issues in both the US and Europe have taken a toll on investor sentiment while weaker-than-expected US economic data raised concerns of another recession. Political instability and concerns that central banks have nearly exhausted their stimulus measures have further compounded investor uncertainty. Although markets remain volatile and conditions are highly uncertain, BlackRock remains focused on finding opportunities in this environment.

The pages that follow reflect your fund's reporting period ended August 31, 2011. Accordingly, the following discussion is intended to provide you with additional perspective on the performance of your investments during that period.

One year ago, the global economy appeared to solidly be in recovery mode and investors were optimistic given the anticipated second round of quantitative easing from the US Federal Reserve (the "Fed"). Stock markets rallied despite the ongoing sovereign debt crisis in Europe and inflationary pressures looming over emerging markets. Fixed income markets, however, saw yields move sharply upward (pushing prices down) especially on the long end of the historically steep yield curve. While high yield bonds benefited from the risk rally, most fixed income sectors declined in the fourth quarter. The tax-exempt municipal market faced additional headwinds as it became evident that the Build America Bond program would not be extended and municipal finance troubles abounded.

The new year brought spikes of volatility as political turmoil swept across the Middle East/North Africa region and as prices of oil and other commodities soared. Natural disasters in Japan disrupted industrial supply chains and concerns mounted over US debt and deficit issues. Equities generally performed well early in the year, however, as investors chose to focus on the continuing stream of strong corporate earnings and positive economic data. Credit markets were surprisingly resilient in this environment and yields regained relative stability in 2011. The tax-exempt market saw relief from its headwinds and steadily recovered from its fourth-quarter lows. Equities, commodities and high yield bonds outpaced higher-quality assets as investors increased their risk tolerance.

However, longer-term headwinds had been brewing. Inflationary pressures intensified in emerging economies, many of which were overheating, and the European debt crisis continued to escalate. Markets were met with a sharp reversal in May when political unrest in Greece pushed the nation closer to defaulting on its debt. This development rekindled fears about the broader debt crisis and its further contagion among peripheral European countries. Concurrently, it became evident that the pace of global economic growth had slowed as higher oil prices and supply chain disruptions finally showed up in economic data. By mid-summer, confidence in policymakers was tarnished as the prolonged US debt ceiling debate revealed the degree of polarization in Washington, DC. The downgrade of the US government's credit rating on August 5 was the catalyst for the recent turmoil in financial markets. Extreme volatility persisted as Europe's debt and banking crisis deepened and US economic data continued to weaken. Investors fled from riskier assets, pushing stock and high yield bond indices into negative territory for the six-month period ended August 31, while lower-risk investments including US Treasuries, municipal securities and investment grade corporate bonds posted gains. Twelve-month returns on all asset classes remained positive. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

“BlackRock remains focused on managing risk and finding opportunities in all market environments.”

**Rob Kapito**

President, BlackRock Advisors, LLC

**Total Returns as of August 31, 2011**

	6-month	12-month
US large cap equities (S&P 500 <sup>®</sup> Index)	(7.23)%	18.50%
US small cap equities (Russell 2000 <sup>®</sup> Index)	(11.17)	22.19
International equities (MSCI Europe, Australasia, Far East Index)	(11.12)	10.01
Emerging market equities (MSCI Emerging Markets Index)	(5.11)	9.07
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.08	0.15
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	13.04	6.21
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.49	4.62
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	6.39	2.66
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	(1.57)	8.32

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

THIS PAGE NOT PART OF YOUR FUND REPORT 3

## Fund Summary as of August 31, 2011 BlackRock Defined Opportunity Credit Trust

### Investment Objective

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 12 months ended August 31, 2011, the Fund returned 4.17% based on market price and 2.93% based on net asset value ("NAV"). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed 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?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as "recession-resistant" and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund's exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore, the Fund's limited exposure to low-quality credits negatively impacted returns. The Fund uses foreign currency exchange contracts to manage currency risk in the portfolio. The net effect of the contracts during the period was negative.

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Describe recent portfolio activity.

•During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

•At period end, the Fund held 86% of its total portfolio in floating rate loan interests (bank loans) and 11% in corporate bonds, with the remainder in asset-backed securities, other interests and common stocks. The Fund ended the period with leverage at 27% of its total managed assets.

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

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## Fund Information

Symbol on New York Stock Exchange ("NYSE")	BHL
Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2011 (\$12.65) <sup>1</sup>	6.26%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0660
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.7920
Leverage as of August 31, 2011 <sup>3</sup>	27%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$12.65	\$12.86	(1.63)%	\$15.71	\$11.77
Net Asset Value	\$13.17	\$13.55	(2.80)%	\$14.37	\$12.93

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

## Portfolio Composition

	8/31/11	8/31/10
Floating Rate Loan Interests	86%	83%
Corporate Bonds	11	15
Asset-Backed Securities	2	—
Other Interests	1	1
Common Stocks	—	1

Credit Quality Allocations<sup>4</sup>

	8/31/11	8/31/10
BBB/Baa	12%	11%
BB/Ba	33	44
B	55	44
CCC/Caa	—	1

<sup>4</sup> Using the higher of Standard & Poor's ("S&P's") or Moody's Investors Service



("Moody's") ratings.

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## Fund Summary as of August 31, 2011 BlackRock Diversified Income Strategies Fund, Inc.

### Investment Objective

BlackRock Diversified Income Strategies Fund, Inc.'s (DVF) (the "Fund") investment objective is to provide shareholders with high current income. The Fund seeks to achieve its investment objective by investing primarily in floating rate debt securities and instruments, including floating rate loans, bonds, certain preferred securities (including certain convertible preferred securities), notes or other debt securities or instruments which pay a floating or variable rate of interest until maturity. The Fund considers floating rate debt securities to include fixed rate debt securities held by the Fund where the Fund has entered into certain derivative transactions at either the portfolio level or with respect to an individual security held by the Fund, including interest rate swap agreements, in an attempt to convert the fixed rate payments it receives with respect to such securities into floating rate payments. The Fund may invest, under normal market conditions, a substantial portion of its assets in below investment grade quality securities. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

### Portfolio Management Commentary

How did the Fund perform?

•For the 12 months ended August 31, 2011, the Fund returned 0.91% based on market price and 4.30% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% 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?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as "recession-resistant" and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund's exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore,

the Fund's limited exposure to low-quality credits negatively impacted returns. The Fund uses foreign currency exchange contracts to manage currency risk in the portfolio. The net effect of the contracts during the period was negative.

Describe recent portfolio activity.

- During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

- At period end, the Fund held 80% of its total portfolio in floating rate loan interests (bank loans) and 14% in corporate bonds, with the remainder in asset-backed securities, common stocks and other interests. The Fund ended the period with leverage at 27% of its total managed assets.

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BlackRock Diversified Income Strategies Fund, Inc.

Fund Information

Symbol on NYSE	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2011 (\$9.84) <sup>1</sup>	7.13%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0585
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.7020
Leverage as of August 31, 2011 <sup>3</sup>	27%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 9.84	\$10.45	(5.84)%	\$12.02	\$ 8.97
Net Asset Value	\$10.19	\$10.47	(2.67)%	\$11.09	\$10.05

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

Portfolio Composition

	8/31/11	8/31/10
Floating Rate Loan Interests	80%	76%
Corporate Bonds	14	20
Asset-Backed Securities	2	—
Other Interests	2	2
Common Stocks	2	2

Credit Quality Allocations<sup>4</sup>

	8/31/11	8/31/10
BBB/Baa	8%	4%
BB/Ba	30	32
B	47	46
CCC/Caa	8	11
CC/Ca	—	1

Not Rated

7

6

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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## Fund Summary as of August 31, 2011 BlackRock Floating Rate Income Strategies Fund, Inc.

### Investment Objective

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 12 months ended August 31, 2011, the Fund returned (2.91)% based on market price and 4.04% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as "recession-resistant" and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund's exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore, the Fund's limited exposure to low-quality credits negatively impacted returns.

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Describe recent portfolio activity.

•During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

•At period end, the Fund held 81% of its total portfolio in floating rate loan interests (bank loans) and 15% in corporate bonds, with the remainder in asset-backed securities, other interests and common stocks. The Fund ended the period with leverage at 26% of its total managed assets.

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BlackRock Floating Rate Income Strategies Fund, Inc.

Fund Information

Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2011 (\$13.33) <sup>1</sup>	6.93%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0770
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.9240
Leverage as of August 31, 2011 <sup>3</sup>	26%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$13.33	\$14.61	(8.76)%	\$16.42	\$12.66
Net Asset Value	\$14.04	\$14.36	(2.23)%	\$15.31	\$13.80

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

Portfolio Composition

	8/31/11	8/31/10
Floating Rate Loan Interests	81%	76%
Corporate Bonds	15	22
Asset-Backed Securities	3	—
Other Interests	1	1
Common Stocks	—	1

Credit Quality Allocations<sup>4</sup>

	8/31/11	8/31/10
BBB/Baa	9%	5%
BB/Ba	36	33
B	49	50
CCC/Caa	3	6
CC/Ca	—	1



Not Rated

3

5

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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## Fund Summary as of August 31, 2011 BlackRock Limited Duration Income Trust

### Investment Objective

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 and asset-backed securities and US Government and agency securities;
- senior, secured floating rate loans made to corporate and other business entities; and
- US dollar-denominated securities of US and non-US issuers rated below investment grade, and to a limited extent, in non-US dollar denominated securities of non-US 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 12 months ended August 31, 2011, the Fund returned 2.77% based on market price and 5.85% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

•The Fund invests in high yield bonds, floating rate loan interests and investment grade bonds, whereas most funds in the Lipper category invest primarily in high yield bonds. The largest detractor from performance for the period was the Fund's allocation to bank loans and investment grade bonds, both of which underperformed high yield bonds for the 12-month period. During the period, the Fund maintained leverage at an average of 23%, which was below the average level for the Lipper category. This lower average leverage detracted from Fund performance, as would be expected in a rising market.

•Lower-quality and higher-beta segments (those with higher sensitivity to market volatility) outperformed higher-quality and lower-beta segments for the period, despite a sharp reversal in August 2011. The Fund's limited exposure to high yield credits near the high end of the quality range helped

performance over the period, although an underexposure to lower-quality credits slightly detracted.

Describe recent portfolio activity.

•During the first half of the period, the Fund shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Fund positioning once again became more conservative. Specifically, the Fund reduced positions in more cyclical credits and increased exposure to market sectors with stronger assets and more stable cash flows. These adjustments detracted from performance initially but were positive for performance in the August sell-off.

Describe portfolio positioning at period end.

•At period end, the Fund held 40% of its total portfolio in high yield bonds, 31% in floating rate loan interests (bank loans), 11% in US Government sponsored agency securities and 10% in non-agency mortgage-backed securities. The remainder of the portfolio was invested in asset-backed securities, taxable municipal bonds, common stocks and other interests, while the Fund's cash position was negligible. The Fund ended the period with leverage at 29% of its total managed assets.

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

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BlackRock Limited Duration Income Trust

Fund Information

Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Yield on Closing Market Price as of August 31, 2011 (\$16.01) <sup>1</sup>	7.68%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.1025
Current Annualized Distribution per Common Share <sup>2</sup>	\$1.2300
Leverage as of August 31, 2011 <sup>3</sup>	29%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> 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 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$16.01	\$16.76	(4.47)%	\$18.40	\$14.30
Net Asset Value	\$16.52	\$16.79	(1.61)%	\$17.75	\$16.34

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	40%	34%
Floating Rate Loan Interests	31	39
US Government Sponsored Agency Securities	11	7
Non-Agency Mortgage-Backed Securities	10	11
Asset-Backed Securities	5	5
Taxable Municipal Bonds	1	1
Other Interests	1	1
Common Stocks	1	—
Foreign Agency Obligations	—	2

Credit Quality Allocations<sup>4</sup>

8/31/11 8/31/10

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AAA/Aaa <sup>5</sup>	17%	18%
AA/Aa	2	2
A	5	6
BBB/Baa	15	8
BB/Ba	26	30
B	27	28
CCC/Caa	7	6
D	1	—
Not Rated	—	2

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

<sup>5</sup> Includes US Government Sponsored Agency securities and US Treasury Obligations, which were deemed AAA/Aaa by the investment advisor.

## The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage by borrowing through a credit facility or through entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

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

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the Fund's shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the

redemption value of the Funds' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

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

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility or by entering into reverse repurchase agreements up to  $33\frac{1}{3}\%$  of their total managed assets. As of August 31, 2011, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
BHL	27%
DVF	27%
FRA	26%
BLW	29%

## Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default

of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments** August 31, 2011  
 (Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Asset-Backed Securities</b>		
ARES CLO Funds, Series 2005-10A, Class B, 0.64%, 9/18/17 (a)(b)	USD 250	\$ 222,767
Canaras Summit CLO Ltd., Series 2007-1A, Class B, 0.73%, 6/19/21 (a)(b)	345	276,811
Flagship CLO, Series 2006-1A, Class B, 0.60%, 9/20/19 (a)(b)	1,000	807,500
Fraser Sullivan CLO Ltd., Series 2006-2A, Class B, 0.65%, 12/20/20 (a)(b)	500	400,000
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.61%, 10/27/20 (b)	265	198,088
Goldman Sachs Asset Management CLO Plc, Series 2007-1A, Class B, 0.70%, 8/01/22 (a)(b)	580	430,650
Landmark CDO Ltd., Series 2006-8A, Class B, 0.61%, 10/19/20 (a)(b)	495	405,261
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.20%, 12/21/17 (a)(b)	260	230,334
Portola CLO Ltd., Series 2007-1X, Class B1, 1.74%, 11/15/21 (b)	350	311,990
T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 0.85%, 7/15/19 (a)(b)	300	267,960
<b>Total Asset-Backed Securities — 3.0%</b>		<b>3,551,361</b>
<b>Common Stocks (c)</b>		
<b>Capital Markets — 0.1%</b>		
E*Trade Financial Corp.	16,300	201,468
<b>Hotels, Restaurants &amp; Leisure — 0.2%</b>		
BLB Worldwide Holdings, Inc.	21,020	208,456
<b>Software — 0.1%</b>		
HMH Holdings/EduMedia	53,267	106,534
<b>Total Common Stocks — 0.4%</b>		<b>516,458</b>
<b>Corporate Bonds</b>		
<b>Airlines — 0.4%</b>		
Air Canada, 9.25%, 8/01/15 (a)	USD 210	201,600
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	209	213,942

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			415,542
<b>Auto Components — 1.0%</b>			
Icahn Enterprises LP, 7.75%, 1/15/16		1,125	1,136,250
<b>Chemicals — 0.4%</b>			
CF Industries, Inc., 6.88%, 5/01/18		415	470,506
<b>Commercial Banks — 1.0%</b>			
CIT Group, Inc.:			
7.00%, 5/01/15		140	139,300
7.00%, 5/01/16		180	179,100
7.00%, 5/01/17		808	797,900
7.00%, 5/02/17 (a)		130	128,375
			1,244,675
<b>Commercial Services &amp; Supplies — 0.4%</b>			
AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)		453	437,292
<b>Consumer Finance — 0.3%</b>			
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)		325	338,000
		Par	
		(000)	Value
<b>Corporate Bonds</b>			
<b>Containers &amp; Packaging — 0.7%</b>			
Berry Plastics Corp., 8.25%, 11/15/15	USD	700	\$ 721,000
Graphic Packaging International, Inc., 9.50%, 6/15/17		100	108,750
			829,750
<b>Diversified Financial Services — 1.3%</b>			
Ally Financial, Inc., 2.45%, 12/01/14 (b)		1,025	960,535
FCE Bank Plc, 7.13%, 1/15/13	EUR	50	72,005
Reynolds Group Issuer, Inc. (a):			
7.13%, 4/15/19	USD	245	232,137
7.88%, 8/15/19		100	99,000
6.88%, 2/15/21		185	172,050
			1,535,727
<b>Diversified Telecommunication Services — 0.4%</b>			
ITC Deltacom, Inc., 10.50%, 4/01/16		140	143,500
Qwest Communications International, Inc., Series B, 7.50%, 2/15/14		347	351,337
			494,837
<b>Electronic Equipment, Instruments &amp; Components — 0.1%</b>			
CDW LLC, 8.00%, 12/15/18 (a)		170	168,300
<b>Health Care Providers &amp; Services — 1.1%</b>			
HCA, Inc.:			

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6.50%, 2/15/20	535	541,019
7.25%, 9/15/20	670	688,425
7.50%, 2/15/22	130	128,700
		1,358,144
 <b>Health Care Technology — 0.8%</b>		
IMS Health, Inc., 12.50%, 8/26/17 (a)	850	977,500
 <b>Hotels, Restaurants &amp; Leisure — 0.2%</b>		
MGM Resorts International, 11.13%, 11/15/17	240	267,600
 <b>Household Durables — 0.6%</b>		
Beazer Homes USA, Inc., 12.00%, 10/15/17	715	725,725
 <b>IT Services — 0.3%</b>		
First Data Corp., 7.38%, 6/15/19 (a)	400	376,000
 <b>Independent Power Producers &amp; Energy Traders — 1.5%</b>		
Energy Future Holdings Corp., 10.00%, 1/15/20	400	401,548
Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20	1,325	1,336,754
		1,738,302
 <b>Media — 1.9%</b>		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	105	108,675
CCH II LLC, 13.50%, 11/30/16	500	577,500
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	185	196,100
Series B, 9.25%, 12/15/17	850	909,500
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a)	500	510,000
		2,301,775
 <b>Metals &amp; Mining — 0.8%</b>		
FMG Resources August 2006 Property Ltd., 7.00%, 11/01/15 (a)	550	548,625
Novelis, Inc., 8.38%, 12/15/17	430	443,975
		992,600

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:	CAD	Canadian Dollar	GO	General Obligation
	EUR	Euro	LIBOR	London Interbank Offered Rate
	FKA	Formerly Known As	USD	US Dollar
	GBP	British Pound		

See Notes to Financial Statements.



BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Oil, Gas & Consumable Fuels — 0.5%		
Alpha Natural Resources, Inc.:		
6.00%, 6/01/19	USD 170	\$ 166,175
6.25%, 6/01/21	305	298,519
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	126	133,560
		598,254
Paper & Forest Products — 0.3%		
Longview Fibre Paper & Packaging, Inc.,		
8.00%, 6/01/16 (a)	155	153,450
Verso Paper Holdings LLC, 11.50%, 7/01/14	180	190,800
		344,250
Pharmaceuticals — 0.5%		
Valeant Pharmaceuticals International,		
6.50%, 7/15/16 (a)	575	546,250
Wireless Telecommunication Services — 1.2%		
Cricket Communications, Inc., 7.75%, 5/15/16	1,125	1,139,063
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	275	273,281
		1,412,344
Total Corporate Bonds — 15.7%		18,709,623
Floating Rate Loan Interests (b)		
Aerospace & Defense — 1.7%		
DynCorp International LLC, Term Loan B, 6.25%, 7/05/16	404	384,510
SI Organization, Inc., New Term Loan B, 4.50%, 11/22/16	421	378,563
TransDigm, Inc., Term Loan (First Lien), 4.00%, 2/14/17	846	811,920
Wesco Aircraft Hardware Corp., Term Loan B,		
4.25%, 4/07/17	419	404,997
		1,979,990
Airlines — 0.9%		
Delta Air Lines, Inc., Credit — New Term Loan B,		
5.50%, 4/20/17	1,150	1,059,920
Auto Components — 2.5%		
Allison Transmission, Inc., Term Loan, 2.96%, 8/07/14	1,709	1,602,133
Autoparts Holdings, Ltd., First Lien Term Loan,		
6.50%, 7/28/17	650	637,000

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### Federal-Mogul Corp.:

Term Loan B, 2.16%, 12/29/14	276	250,333
Term Loan C, 2.15%, 12/28/15	141	127,633
UCI International, Inc., Term Loan, 5.50%, 7/26/17	348	338,238
		2,955,337

### Automobiles — 0.4%

#### Ford Motor Co.:

Tranche B-1 Term Loan, 2.96%, 12/16/13	522	512,922
Tranche B-2 Term Loan, 2.96%, 12/16/13	9	8,581
		521,503

### Biotechnology — 0.3%

Grifols SA, Term Loan B, 6.00%, 6/01/17	420	409,920
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### Building Products — 3.4%

Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	449	421,382
CPG International I, Inc., Term Loan B, 6.00%, 2/18/17	796	744,260
Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/28/16	2,154	2,117,449
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2B Term Loan, 4.79%, 5/05/15	EUR 566	729,382
		4,012,473

	Par	
	(000)	Value

### Capital Markets — 1.8%

American Capital Ltd., Term Loan B, 7.50%, 12/31/13 USD	229	\$ 222,357
HarbourVest Partners, Term Loan (First Lien), 6.25%, 12/14/16	906	878,829
Nuveen Investments, Inc. (First Lien): 3.25%, 11/13/14	391	361,360
5.75% – 5.81%, 5/12/17	782	730,816
		2,193,362

### Chemicals — 6.3%

American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17	603	578,594
Arizona Chemical Co., LLC, Term Loan B, 4.75%, 11/21/16	204	196,527
Ashland, Inc., Term Loan B, 3.75%, 7/30/18	550	537,724
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16	750	733,747
Genetek, Inc., Term Loan B, 5.00% – 5.75%, 10/06/15	683	637,739

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MDI Holdings LLC (FKA MacDermid, Inc.), Term Loan B, 2.26%, 4/11/14	450	430,303
Nexeo Solutions, LLC, Term Loan B, 5.00%, 9/08/17	574	528,153
PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.48% – 3.51%, 7/30/14	641	585,672
Styron Sarl, Term Loan B, 6.00%, 8/02/17	835	767,066
Tronox Worldwide LLC, Exit Term Loan, 7.00%, 10/15/15	1,368	1,352,734
Univar, Inc., Term Loan B, 5.00%, 6/30/17	1,194	1,101,763
		7,450,022

### Commercial Services & Supplies — 4.1%

#### ARAMARK Corp.:

Letter of Credit — 1 Facility, 2.06%, 1/27/14	9	8,842
Letter of Credit — 2 Facility, 3.44%, 7/26/16	14	12,963
US Term Loan, 2.12%, 1/27/14	116	109,757
US Term Loan B, 3.50%, 7/26/16	211	197,109
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	282	271,081
Adesa Inc. (KAR Holdings, Inc.), Initial Term Loan B, 5.00%, 5/19/17	1,200	1,140,000
Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15	697	678,397
Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16	825	819,497
Synagro Technologies, Inc., Term Loan (First Lien), 2.21% – 2.23%, 4/02/14	870	755,643
Volume Services America, Inc. (Centerplate), Term Loan B, 10.50% – 10.75%, 9/16/16	496	474,748
West Corp., Term Loan B, 4.50%, 7/15/16	397	376,214
		4,844,251

### Communications Equipment — 1.8%

#### Avaya, Inc.:

Term Loan B, 3.06%, 10/24/14	450	400,485
Term Loan B-3, 4.81%, 10/26/17	905	779,308
CommScope, Inc., Term Loan B, 5.00%, 1/14/18	998	957,600
		2,137,393

### Construction & Engineering — 0.9%

BakerCorp., Inc., Term Loan B, 5.00%, 6/01/18	340	323,000
Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/16/17	750	750,000
		1,073,000

### Consumer Finance — 1.9%

Springleaf Financial Funding Co. (FKA AGFS)

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Funding Co.), Term Loan, 5.50%, 5/10/17	2,450	2,269,312
Containers & Packaging — 1.3%		
Anchor Glass Container Corp., Term Loan (First Lien), 6.00%, 3/02/16	148	145,947
Berry Plastics Holding Corp., Term Loan C, 2.21%, 4/03/15	503	447,606
Graham Packaging Co., LP, Term Loan D, 6.00%, 9/23/16	993	982,575
		1,576,128

See Notes to Financial Statements.

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BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
Floating Rate Loan Interests (b)		
<b>Diversified Consumer Services — 3.4%</b>		
Coinmach Laundry Corp., Delayed Draw Term Loan, 3.22%, 11/20/14	USD 244	\$ 212,594
Coinmach Service Corp., Term Loan, 3.22% – 3.30%, 11/20/14	1,101	958,228
Laureate Education, Extended Term Loan, 5.25%, 8/15/18	1,965	1,735,386
ServiceMaster Co.:		
Closing Date Term Loan, 2.69% – 2.76%, 7/24/14	108	99,941
Delayed Draw Term Loan, 2.72%, 7/24/14	1,086	1,003,570
		4,009,719
<b>Diversified Financial Services — 1.0%</b>		
Reynolds Group Holdings, Inc., Term Loan E, 5.25%, 2/09/18	1,237	1,179,693
<b>Diversified Telecommunication Services — 4.6%</b>		
Hawaiian Telcom Communications, Inc., Term Loan, 9.00%, 11/01/15 (d)	655	653,971
Integra Telecom Holdings, Inc., Term Loan, 9.25%, 4/15/15	817	768,766
Level 3 Financing, Inc.:		
Incremental Tranche A Term Loan, 2.49% – 2.50%, 3/13/14	1,200	1,108,800
Term Loan B, 11.50%, 3/13/14	550	571,543
Term Loan B2, 2.49%, 9/03/18	1,800	1,696,500
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	748	720,256
		5,519,836
<b>Electronic Equipment, Instruments &amp; Components — 2.2%</b>		
Aeroflex Inc., Term Loan B, 4.25%, 5/09/18	650	601,790
CDW LLC (FKA CDW Corp.):		
Extended Term Loan B, 4.25%, 7/14/17	516	467,855
Non-Extended Term Loan, 3.71%, 10/10/14	631	593,081
Sensata Technologies Finance Company, LLC, New Term Loan, 4.00%, 5/11/18	950	913,187
		2,575,913

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### Energy Equipment & Services — 2.6%

CCS Corp., Tranche B Term Loan, 3.25%, 11/14/14	750	665,171
Dynergy Holdings, Inc.:		
Coal Co. Term Loan, 9.25%, 8/04/16	318	307,134
Gas Co. Term Loan, 9.25%, 8/04/16	582	571,815
MEG Energy Corp., Tranche D Term Loan, 4.00%, 3/16/18	1,550	1,482,188
		3,026,308

### Food & Staples Retailing — 2.1%

AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots),		
Facility B1, 3.61%, 7/09/15	GBP	900
		1,256,098
Bolthouse Farms, Inc., Term Loan (First Lien),		
5.50% – 5.75%, 2/11/16	228	221,791
US Foodservice, Inc.:		
New Term Loan B, 5.75%, 3/31/17	USD	100
		92,767
Term Loan B, 2.71% – 2.72%, 7/03/14	1,018	911,184
		2,481,840

### Food Products — 4.2%

Advance Pierre Foods, Term Loan (Second Lien):		
7.00%, 9/30/16	953	921,243
11.25%, 9/29/17	500	490,000
Del Monte Corp., Term Loan B, 4.50%, 3/08/18	2,345	2,210,163
Michaels Foods Group, Inc. (FKA M-Foods		
Holdings, Inc.), Term Loan B, 4.25%, 2/23/18	131	125,108
Pinnacle Foods Finance LLC, Tranche D Term Loan,		
6.00%, 4/02/14	532	524,256
Solvest, Ltd. (Dole):		
Tranche B-1 Term Loan, 5.00% – 6.00%, 7/06/18	282	271,325
Tranche C-1 Term Loan, 5.00% – 6.00%, 7/06/18	523	503,890
		5,045,985

	Par		Value
Floating Rate Loan Interests (b)	(000)		

### Health Care Equipment & Supplies — 1.6%

Biomet, Inc., Dollar Term Loan,		
3.22% – 3.25%, 3/25/15	USD	315
		\$ 298,935
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC),		
Term Loan, 3.22%, 5/20/14	428	399,063
lasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	797	735,065
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	495	477,368
		1,910,431

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### Health Care Providers & Services — 5.4%

CHS/Community Health Systems, Inc.:

Delayed Draw Term Loan, 2.47% – 2.57%, 7/25/14	37	34,323
Extended Term Loan B, 3.72% – 3.82%, 1/25/17	80	73,100
Non Extended Term Loan, 2.47% – 2.57%, 7/25/14	727	674,129
ConvaTec, Inc., Dollar Term Loan, 5.75%, 12/22/16	597	563,168
DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16	896	868,635
Emergency Medical Services, Term Loan, 5.25% – 6.00%, 5/25/18	858	793,419
HCA, Inc., Tranche B-1 Term Loan, 3.50%, 5/01/18	380	356,618

Harden Healthcare, Inc.:

Tranche A Additional Term Loan, 7.75%, 3/02/15	521	511,013
Tranche A Term Loan, 8.50%, 3/02/15	346	339,127

inVentiv Health, Inc. (FKA Ventive Health, Inc.):

Incremental Term Loan B3, 6.75%, 5/15/18	300	282,000
Term Loan B, 6.50%, 8/04/16	863	814,174
Medpace, Inc., Term Loan, 6.50%, 6/22/17	550	522,500
Renal Advantage Holdings, Inc., Tranche B Term Loan, 5.75%, 12/16/16	597	584,564

6,416,770

### Health Care Technology — 0.8%

IMS Health, Inc., Tranche B Dollar Term Loan,

4.50%, 8/25/17	556	532,874
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MedAssets, Inc., Term Loan B, 5.25%, 11/16/16	402	380,116
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912,990

### Hotels, Restaurants & Leisure — 7.8%

Ameristar Casinos, Inc., Term Loan B, 4.00%, 4/13/18	698	670,320
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Caesars Entertainment Operating Co., Inc.:

Incremental Term Loan B4, 9.50%, 10/31/16	266	265,595
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Term Loan B-1, 3.25%, 1/28/15	175	150,719
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Term Loan B-2, 3.22% – 3.25%, 1/28/15	145	124,926
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Term Loan B-3, 3.25%, 1/28/15	2,463	2,120,143
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Dunkin' Brands, Inc., New Term Loan B,

4.00%, 11/23/17	1,049	1,007,835
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Golden Living, Term Loan, 5.00%, 5/04/18	840	745,500
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Las Vegas Sands LLC:

Delayed Draw Term Loan, 1.72%, 5/23/14	91	84,344
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Term Loan B, 1.72%, 5/23/14	359	334,560
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Penn National Gaming, Inc., Term Loan B,

3.75%, 7/16/18	175	170,188
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SeaWorld Parks & Entertainment, Inc. (FKA SW

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Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/17/17	807	778,568
Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 5.25%, 6/30/16	727	709,218
Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15	554	549,615
VML US Finance LLC (FKA Venetian Macau):		
New Project Term Loan, 4.73%, 5/27/13	269	266,321
Term B Delayed Draw Project Loan, 4.73%, 5/25/12	480	474,931
Term B Funded Project Loan, 4.73%, 5/27/13	836	825,722
		9,278,505
 <b>Household Durables — 0.0%</b>		
Visant Corp. (FKA Jostens), Term Loan B, 5.25%, 12/22/16	37	33,289

See Notes to Financial Statements.

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BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par	Value
	(000)	
Floating Rate Loan Interests (b)		
<b>IT Services — 4.7%</b>		
Ceridian Corp., US Term Loan, 3.22%, 11/10/14	USD 792	\$ 676,838
First Data Corp.:		
Extended Term Loan B, 4.22%, 3/23/18	3,012	2,521,207
Initial Tranche B-1 Term Loan, 2.97%, 9/24/14	113	99,609
Initial Tranche B-3 Term Loan, 2.97%, 9/24/14	149	131,048
infoGROUP, Inc., Term Loan, 5.75%, 5/22/18	346	317,152
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	505	477,572
TransUnion LLC, Replacement Term Loan, 4.75%, 2/12/18	1,465	1,389,093
		5,612,519
<b>Independent Power Producers &amp; Energy Traders — 3.9%</b>		
The AES Corp., Term Loan B, 4.25%, 6/01/18	998	958,099
Calpine Corp., Term Loan B, 4.50%, 4/02/18	1,770	1,631,555
Texas Competitive Electric Holdings Co., LLC (TXU), Extended Term Loan, 4.71% – 4.77%, 10/10/17	2,734	2,006,990
		4,596,644
<b>Industrial Conglomerates — 1.4%</b>		
Sequa Corp., Term Loan, 3.50% – 3.51%, 12/03/14	1,763	1,647,076
<b>Insurance — 0.8%</b>		
CNO Financial Group, Inc., Term Loan, 6.25%, 9/30/16	988	965,870
<b>Machinery — 1.7%</b>		
Navistar Financial Corp., Term Loan B, 4.50%, 12/16/12	372	361,925
Terex Corp.:		
Term Loan, 6.03%, 4/28/17	EUR 60	85,901
Term Loan B, 5.50%, 4/28/17	USD 500	489,975
Tomkins Plc, Term Loan A, 4.25%, 9/29/16	1,184	1,139,618
		2,077,419
<b>Marine — 0.3%</b>		
Horizon Lines, LLC:		
Revolving Loan, 0.50% – 6.30%, 8/08/12	285	277,454
Term Loan, 6.25%, 8/08/12	120	115,927
		393,381
<b>Media — 20.1%</b>		

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AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	800	771,000
Acosta, Inc., Term Loan, 4.75%, 3/01/18	938	884,326
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 7/16/15	739	665,676
Atlantic Broadband Finance, LLC, Term Loan B, 4.00%, 3/08/16	448	423,861
Bresnan Telecommunications Co. LLC, Term Loan, 4.50%, 12/14/17	1,443	1,376,802
Capsugel Healthcare Ltd., Term Loan, 5.25%, 8/01/18	600	579,600
Catalina Marketing Corp., Term Loan B, 2.97%, 10/01/14	105	96,022
Cengage Learning Acquisitions, Inc. (Thomson Learning): Term Loan, 2.50%, 7/03/14	1,008	833,696
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	373	356,334
Cequel Communications LLC, New Term Loan, 2.21%, 11/05/13	528	502,934
Charter Communications Operating, LLC: Term Loan B, 7.25%, 3/06/14	12	12,330
Term Loan C, 3.50%, 9/06/16	1,602	1,525,029
Clarke American Corp., Term Facility B, 2.72% – 2.75%, 6/30/14	453	375,832
Clear Channel Communications, Inc., Term Loan B, 3.87%, 1/28/16	995	744,698
Cumulus Media, Inc., Term Loan, 5.75%, 8/30/18	550	514,937
Getty Images, Inc., Initial Term Loan, 5.25%, 11/07/16	221	215,999
Gray Television, Inc., Term Loan B, 3.71%, 12/31/14	559	510,800
HMH Publishing Co., Ltd., Tranche A Term Loan, 6.21%, 6/12/14	609	489,800
Hubbard Broadcasting, Term Loan B (Second Lien), 5.25%, 4/28/17	500	475,835
Intelsat Jackson Holdings S.A. (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	2,993	2,865,319
	Par	Value
Floating Rate Loan Interests (b)	(000)	
<a href="#">Media (concluded)</a>		
Interactive Data Corp., New Term Loan B, 4.50%, 2/12/18	USD 1,322	\$ 1,249,827
Knology, Inc., Term Loan B, 4.00%, 8/18/17	247	234,064
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): Facility B1, 4.20%, 3/06/15	EUR 460	513,086
Facility C1, 4.45%, 3/04/16	460	516,393

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Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17	USD	198	189,076
Mediacom LLC, Term Loan E (FKA Mediacom Communications, LLC), 4.50%, 10/23/17		495	459,731
Newsday LLC, Fixed Rate Term Loan: 6.50%, 8/01/13		500	500,000
10.50%, 8/01/13		800	826,000
Nielsen Finance LLC, Class B Dollar Term Loan, 3.96%, 5/02/16		637	598,875
Sinclair Television Group, Inc., New Tranche B Term Loan, 4.00%, 10/28/16		338	333,333
Sunshine Acquisition Ltd. (FKA HIT Entertainment), Term Facility, 5.51%, 6/01/12		1,012	973,245
UPC Broadband Holding B.V., Term U, 5.44%, 12/31/17 EUR		980	1,316,631
Univision Communications, Inc., Extended First Lien Term Loan, 4.47%, 3/31/17	USD	813	698,890
WC Luxco Sarl, New Term Loan B3, 4.25%, 3/15/18		219	210,536
Weather Channel, Term Loan B, 4.25%, 2/13/17		1,042	1,003,910
			23,844,427
 <b>Metals &amp; Mining — 2.9%</b>			
Novelis, Inc., Term Loan, 3.75%, 3/10/17		1,328	1,254,482
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18		450	427,500
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18		1,794	1,713,258
			3,395,240
 <b>Multi-Utilities — 0.1%</b>			
FirstLight Power Resources, Inc. (FKA NE Energy, Inc.), Term B Advance (First Lien), 2.75%, 11/01/13		184	174,528
 <b>Multiline Retail — 2.2%</b>			
Dollar General Corp., Tranche B-2 Term Loan, 2.96% – 2.97%, 7/07/14		316	306,077
Hema Holding BV, Facility D, 6.43%, 1/05/17	EUR	1,800	2,344,378
			2,650,455
 <b>Oil, Gas &amp; Consumable Fuels — 2.1%</b>			
EquiPower Resources Holdings, LLC, Term Loan B, 5.75%, 1/26/18	USD	723	693,356
Gibson Energy, Term Loan B, 5.75%, 6/14/18		800	756,000
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15		1,017	1,006,813
			2,456,169
 <b>Paper &amp; Forest Products — 0.5%</b>			
Georgia-Pacific LLC, Term Loan B, 2.32%, 12/21/12		545	541,001
 <b>Pharmaceuticals — 2.5%</b>			

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Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	995	897,490
Endo Pharmaceuticals Holdings, Inc., Term Loan B, 4.00%, 6/18/18	600	586,878
Quintiles Transnational Corp., Term Loan, 5.00%, 6/08/18	595	551,863
RPI Finance Trust, Term Loan Tranche 2, 4.00%, 5/09/18	500	485,000
Warner Chilcott Corp.:		
Term Loan B-1, 4.25%, 3/15/18	319	305,835
Term Loan B-2, 4.25%, 3/15/18	160	153,117
		2,980,183
<b>Professional Services — 1.1%</b>		
Booz Allen Hamilton, Inc., Tranche B Term Loan, 4.00%, 8/03/17	525	513,257
Fifth Third Processing Solutions, LLC, Term Loan B (First Lien), 4.50%, 11/03/16	796	766,656
		1,279,913

See Notes to Financial Statements.

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BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
Floating Rate Loan Interests (b)		
Real Estate Investment Trusts (REITs) — 0.8%		
iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13	USD 1,016	\$ 987,169
Real Estate Management & Development — 1.3%		
Realogy Corp.:		
Delayed Draw Term Loan, 3.30%, 10/10/13	737	650,125
Extended Synthetic Letter of Credit Loan, 4.44%, 10/10/16	32	25,963
Extended Term Loan B, 4.52%, 10/10/16	809	666,207
Letter of Credit, 3.19%, 10/10/13	30	26,655
Term Loan, 3.27%, 10/10/13	240	211,620
		1,580,570
Road & Rail — 0.3%		
The Hertz Corp., Term Loan B, 3.75%, 3/09/18	349	330,796
Semiconductors & Semiconductor Equipment — 0.7%		
Freescale Semiconductor, Inc., Extended Term Loan B, 4.44%, 12/01/16	440	400,216
Microsemi Corp., Term Loan B, 4.00%, 11/02/17	498	474,700
		874,916
Software — 0.6%		
Rovi Corp., Tranche B Term Loan, 4.00%, 2/07/18	449	431,670
Vertafore, Inc., Term Loan B, 5.25%, 7/29/16	308	293,413
		725,083
Specialty Retail — 4.8%		
Academy Ltd., Term Loan, 6.00%, 8/03/18	800	759,400
Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/23/17	444	418,824
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	1,125	1,061,719
J. Crew Group, Inc., Term Loan B, 4.75%, 3/07/18	374	333,151
Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/16/18	294	273,420
Michaels Stores, Inc.:		
Term Loan B-1, 2.50%, 10/31/13	334	315,942
Term Loan B-2, 4.75%, 7/31/16	641	603,013

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Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17	1,089	1,023,660
Toys 'R' Us Delaware, Inc., Initial Loan, 6.00%, 9/01/16	911	853,770
		5,642,899
 <b>Wireless Telecommunication Services — 2.0%</b>		
Digicel International Finance Ltd., US Term Loan (Non-Rollover), 2.75%, 3/30/12	469	462,250
MetroPCS Wireless, Inc., Tranche B-2 Term Loan, 4.07%, 11/04/16	769	719,140
Vodafone Americas Finance 2, Inc.: Initial Loan, 6.88%, 8/11/15	803	806,759
Term Loan B, 6.25%, 7/11/16 (d)	400	402,000
		2,390,149
Total Floating Rate Loan Interests — 117.8%		140,020,297
	<b>Beneficial Interest</b>	
Other Interests (e)	(000)	
 <b>Auto Components — 0.7%</b>		
Delphi Debtor-in-Possession Holding Co. LLP, Class B Membership Interests	—(f)	869,044
Total Other Interests — 0.7%		869,044
Total Long-Term Investments (Cost — \$169,251,866) — 137.6%		163,666,783
 <b>Short-Term Securities</b>		
	<b>Shares</b>	<b>Value</b>
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.07% (g)(h)	2,230,753	\$ 2,230,753
Total Short-Term Securities (Cost — \$2,230,753) — 1.9%		2,230,753
Total Investments (Cost — \$171,482,619*) — 139.5%		165,897,536
Liabilities in Excess of Other Assets — (39.5)%		(47,000,641)
Net Assets — 100.0%		\$118,896,895

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

Aggregate cost		\$171,460,615
Gross unrealized appreciation		\$ 1,938,490
Gross unrealized depreciation		(7,501,569)
Net unrealized depreciation		\$ (5,563,079)

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.

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These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) Non-income producing security.

(d) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.

(e) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(f) Amount is less than \$500.

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

Affiliate	Shares Held at August 31, 2010	Net Activity	Shares Held at August 31, 2011	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	1,172,197	1,058,556	2,230,753	\$ 28

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

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management.

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

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

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	1,136,235	CAD	1,123,500	Citibank NA	10/07/11	\$ (10,054)
USD	257,571	GBP	160,000	Citibank NA	10/07/11	(2,056)
USD	449,835	GBP	276,000	Citibank NA	10/07/11	1,979
USD	671,104	GBP	420,000	Royal Bank of Scotland Plc	10/07/11	(10,417)
CAD	1,000,000	USD	1,017,246	Citibank NA	10/07/11	3,037
USD	5,226,079	EUR	3,645,500	Citibank NA	10/26/11	(7,246)
USD	230,818	EUR	160,000	USB AG	10/26/11	1,129
USD	472,174	EUR	330,000	Morgan Stanley Capital SE	10/26/11	(1,560)
USD	85,410	EUR	60,000	Citibank NA	10/26/11	(723)
Total						\$ (25,911)

See Notes to Financial Statements.



BlackRock Defined Opportunity Credit Trust (BHL)  
**Schedule of Investments (concluded)**

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

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total	
Assets:					
Investments:					
Long-Term					
Investments:					
Asset-Backed					
Securities		—	\$ 1,172,800	\$ 2,378,561	\$3,551,361
Common Stocks	\$ 201,468		208,456	106,534	516,458
Corporate Bonds		—	18,709,623	—	18,709,623
Floating Rate					
Loan Interests		—	129,198,106	10,822,191	140,020,297
Other Interests		—	869,044	—	869,044
Short-Term					
Securities:	2,230,753		—	—	2,230,753
Liabilities:					
Unfunded Loan					
Commitments		—	(38,703)	—	(38,703)

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Total \$ 2,432,221 \$ 150,119,326 \$ 13,307,286 165,858,833

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
Assets:				
Foreign currency exchange contracts				
	—	\$6,145	—	\$ 6,145
Liabilities:				
Foreign currency exchange contracts				
	—	(32,056)	—	(32,056)
Total	—	\$ (25,911)	—	\$ (25,911)

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

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

	Asset-Backed Securities	Common Stocks	Corporate Floating Rate Bonds	Loan Interests	Unfunded Loan Commitments	Total
Assets/Liabilities:						
Balance, as of August 31, 2010	—	\$ 270,181	\$ 12,664	\$ 20,437,083	\$ (46,743)	\$ 20,673,185
Accrued discounts/premiums	\$ 25,212	—	46	127,335	—	152,593
Net realized gain (loss)	—	—	508	21,213	—	21,721
Net change in unrealized appreciation/depreciation <sup>2</sup>	(174,879)	(163,647)	(295)	(46,441)	33,657	(351,605)
Purchases	2,528,228	—	—	8,140,603	—	10,668,831
Sales	—	—	(12,923)	(11,269,604)	—	(11,282,527)
Transfers in <sup>3</sup>	—	—	—	983,762	13,086	996,848
Transfers out <sup>3</sup>	—	—	—	(7,571,760)	—	(7,571,760)
Balance, as of August 31, 2011	\$ 2,378,561	\$ 106,534	—	\$ 10,822,191	—	\$ 13,307,286

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held on August 31, 2011 was \$(629,494).

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

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

See Notes to Financial Statements.



BlackRock Diversified Income Strategies Fund, Inc. (DVF)

## Schedule of Investments August 31, 2011

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Asset-Backed Securities</b>		
ARES CLO Funds, Series 2005-10A, Class B, 0.64%, 9/18/17 (a)(b)	USD 250	\$ 222,767
Canaras Summit CLO Ltd., Series 2007-1A, Class B, 0.73%, 6/19/21 (a)(b)	365	292,858
Chatham Light CLO Ltd., Series 2005-2A, Class A2, 0.66%, 8/03/19 (a)(b)	850	762,875
Flagship CLO, Series 2006-1A, Class B, 0.60%, 9/20/19 (a)(b)	1,000	807,500
Fraser Sullivan CLO Ltd., Series 2006-2A, Class B, 0.65%, 12/20/20 (a)(b)	500	400,000
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.61%, 10/27/20 (b)	280	209,300
Landmark CDO Ltd., Series 2006-8A, Class B, 0.61%, 10/19/20 (a)(b)	525	429,823
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.20%, 12/21/17 (a)(b)	275	243,622
Portola CLO Ltd., Series 2007-1X, Class B1, 1.74%, 11/15/21 (b)	370	329,818
T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 0.85%, 7/15/19 (a)(b)	320	285,824
<b>Total Asset-Backed Securities — 3.2%</b>		<b>3,984,387</b>
<b>Common Stocks</b>		
<b>Capital Markets — 0.1%</b>		
E*Trade Financial Corp.	14,300	176,748
<b>Chemicals — 0.0%</b>		
Wellman Holdings, Inc.	272	884
Wellman Holdings, Inc. (acquired 1/30/09, cost \$313) (d)	1,341	4,358
		5,242
<b>Diversified Financial Services — 1.3%</b>		
Kcad Holdings I Ltd.	142,194,803	1,604,953
<b>Electrical Equipment — 0.0%</b>		
Medis Technologies Ltd.	176,126	1,937
<b>Hotels, Restaurants &amp; Leisure — 0.0%</b>		



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Buffets Restaurants Holdings, Inc.	688	1,720
<b>Metals &amp; Mining — 0.1%</b>		
Euramax International	468	130,900
<b>Paper &amp; Forest Products — 0.5%</b>		
Ainsworth Lumber Co. Ltd.	300,167	613,024
<b>Software — 0.1%</b>		
Bankruptcy Management Solutions, Inc.	536	3
HMH Holdings/EduMedia	45,526	91,052
		91,055
Total Common Stocks — 2.1%		2,625,579
	Par	
Corporate Bonds	(000)	
<b>Airlines — 0.4%</b>		
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	USD 209	213,942
United Air Lines, Inc., 12.75%, 7/15/12	295	307,882
		521,824
<b>Auto Components — 0.9%</b>		
Icahn Enterprises LP, 7.75%, 1/15/16	1,065	1,075,650
<b>Capital Markets — 0.1%</b>		
E*Trade Financial Corp., 3.95%, 8/31/19 (a)(e)(f)	83	99,185
KKR Group Finance Co., 6.38%, 9/29/20 (a)	80	85,116
		184,301
	Par	
Corporate Bonds	(000)	Value
<b>Chemicals — 1.6%</b>		
CF Industries, Inc., 6.88%, 5/01/18	USD 445	\$ 504,519
Wellman Holdings, Inc., Subordinate Note (e):		
(Second Lien), 10.00%, 1/29/19	894	1,242,660
(Third Lien), 5.00%, 1/29/19 (g)	308	218,938
		1,966,117
<b>Commercial Banks — 1.1%</b>		
CIT Group, Inc.:		
7.00%, 5/01/14	22	22,418
7.00%, 5/01/15	170	169,150
7.00%, 5/01/16	120	119,400
7.00%, 5/01/17	888	876,900
7.00%, 5/02/17 (a)	140	138,250
Glitnir Banki HF, 6.38%, 9/25/12 (a)(c)(h)	365	—
		1,326,118

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### Commercial Services & Supplies — 0.6%

AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)	480	463,015
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	260	245,050
		708,065

### Consumer Finance — 0.3%

Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	350	364,000
---	-----	---------

### Containers & Packaging — 0.4%

Graphic Packaging International, Inc., 9.50%, 6/15/17	105	114,187
Smurfit Kappa Acquisitions (a):		
7.25%, 11/15/17	EUR 160	220,647
7.75%, 11/15/19	135	185,201
		520,035

### Diversified Financial Services — 1.9%

#### Ally Financial, Inc.:

6.88%, 9/15/11	USD 150	150,000
7.50%, 12/31/13	20	20,600
2.45%, 12/01/14 (b)	750	702,830
8.00%, 3/15/20	20	20,200
7.50%, 9/15/20	160	157,200
8.00%, 11/01/31	210	203,563
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16	80	83,400
Reynolds Group DL Escrow, Inc., 8.50%, 10/15/16 (a)	300	306,750
Reynolds Group Issuer, Inc. (a):		
8.75%, 10/15/16	EUR 200	278,681
7.13%, 4/15/19	USD 260	246,350
7.88%, 8/15/19	100	99,000
6.88%, 2/15/21	195	181,350
		2,449,924

### Diversified Telecommunication Services — 0.4%

ITC Deltacom, Inc., 10.50%, 4/01/16	180	184,500
Qwest Communications International, Inc., Series B,		
7.50%, 2/15/14	347	351,338
		535,838

### Electronic Equipment, Instruments & Components — 0.2%

CDW LLC, 8.00%, 12/15/18 (a)	190	188,100
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### Health Care Providers & Services — 1.2%

#### HCA, Inc.:

6.50%, 2/15/20	565	571,356
7.25%, 9/15/20	235	241,463
7.50%, 2/15/22	660	653,400
		1,466,219

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Health Care Technology — 0.6%

IMS Health, Inc., 12.50%, 3/01/18 (a)	700	805,000
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Hotels, Restaurants & Leisure — 1.0%

Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)	192	159,360
MGM Resorts International, 11.13%, 11/15/17	390	434,850

See Notes to Financial Statements.

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BlackRock Diversified Income Strategies Fund, Inc. (DVF)

**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Hotels, Restaurants & Leisure (concluded)		
Travelport LLC:		
4.88%, 9/01/14 (b)	USD 665	\$ 507,062
9.88%, 9/01/14	145	123,613
Tropicana Entertainment LLC, Series WI,		
9.63%, 12/15/14 (c)(h)	120	12
		1,224,897
Household Durables — 0.4%		
Beazer Homes USA, Inc., 12.00%, 10/15/17	500	507,500
IT Services — 0.3%		
First Data Corp., 7.38%, 6/15/19 (a)	390	366,600
Independent Power Producers & Energy Traders — 1.4%		
Energy Future Holdings Corp., 10.00%, 1/15/20	400	401,549
Energy Future Intermediate Holding Co. LLC,		
10.00%, 12/01/20	1,325	1,336,754
		1,738,303
Industrial Conglomerates — 0.6%		
Sequa Corp., 13.50%, 12/01/15 (a)	722	764,863
Media — 2.8%		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	110	113,850
CCH II LLC, 13.50%, 11/30/16	500	577,500
CSC Holdings, Inc., 8.50%, 4/15/14	180	194,850
Cengage Learning Acquisitions, Inc.,		
10.50%, 1/15/15 (a)	315	242,550
Checkout Holding Corp., 10.69%, 11/15/15 (a)(f)	325	191,750
Clear Channel Worldwide Holdings, Inc., Series B,		
9.25%, 12/15/17	884	945,880
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	300	303,000
Unitymedia Hessen GmbH & Co. KG (FKA UPC		
Germany GmbH), 8.13%, 12/01/17 (a)	1,000	1,020,000
		3,589,380
Metals & Mining — 0.6%		
FMG Resources August 2006 Property Ltd.,		
7.00%, 11/01/15 (a)	320	319,200

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Novelis, Inc., 8.38%, 12/15/17	455	469,787
RathGibson, Inc., 11.25%, 2/15/14 (c)(h)	1,390	70
		789,057
<b>Multiline Retail — 0.2%</b>		
Dollar General Corp., 11.88%, 7/15/17 (g)	215	238,113
<b>Oil, Gas &amp; Consumable Fuels — 0.5%</b>		
Alpha Natural Resources, Inc.:		
6.00%, 6/01/19	135	131,962
6.25%, 6/01/21	365	357,244
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	135	143,100
		632,306
<b>Paper &amp; Forest Products — 0.9%</b>		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(g)	738	516,947
Clearwater Paper Corp., 10.63%, 6/15/16	190	208,050
Longview Fibre Paper & Packaging, Inc.,		
8.00%, 6/01/16 (a)	165	163,350
Verso Paper Holdings LLC:		
11.50%, 7/01/14	144	152,640
Series B, 4.00%, 8/01/14 (b)	170	139,400
		1,180,387
<b>Pharmaceuticals — 0.3%</b>		
Valeant Pharmaceuticals International,		
6.50%, 7/15/16 (a)	460	437,000
<b>Professional Services — 0.1%</b>		
FTI Consulting, Inc., 6.75%, 10/01/20	85	83,831
	Par	
Corporate Bonds	(000)	Value
<b>Wireless Telecommunication Services — 1.4%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16	USD	850&