

BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-Q

January 26, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 02/28/2011

Date of reporting period: 11/30/2010

Item 1 Schedule of Investments

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Schedule of Investments November 30, 2010 (Unaudited)

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

| Asset-Backed Securities (a) | Par (000) | Value |
|---|--------------|------------------|
| ARES CLO Funds, Series 2005-10A, Class B, 0.68%, 9/18/17 (b) | USD 1,250 | \$ 1,025,000 |
| Goldentree Loan Opportunities III Ltd., Series 2007-3X, Class B, 0.94%, 5/01/22 | 1,335 | 1,021,275 |
| LCM LP, Series 8A, Class C, 3.29%, 1/14/21 (b) | 2,850 | 2,694,675 |
| Total Asset-Backed Securities 1.1% | | 4,740,950 |

| Common Stocks (c) | Shares | |
|---|---------|------------------|
| Building Products 0.3% | | |
| Masonite Worldwide Holdings | 32,730 | 1,211,010 |
| Nortek, Inc. | 2,970 | 121,770 |
| | | 1,332,780 |
| Chemicals 0.1% | | |
| GEO Specialty Chemicals, Inc. | 339,340 | 130,272 |
| LyondellBasell Industries NV, Class B | 8,315 | 242,798 |
| Wellman Holdings, Inc. | 5,373 | 269 |
| | | 373,339 |
| Containers & Packaging 0.1% | | |
| Smurfit Kappa Plc | 36,342 | 320,308 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. | 286,757 | 5,735 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. | 2,753 | 10,048 |
| HRP Corp., Class B (b)(d) | 5,000 | 50 |
| | | 10,098 |
| Metals & Mining 0.1% | | |
| Euramax International | 2,337 | 707,033 |
| Paper & Forest Products 1.2% | | |

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| | | |
|-----------------------------------|-----------|-----------|
| Ainsworth Lumber Co. Ltd. | 770,419 | 1,891,243 |
| Ainsworth Lumber Co. Ltd. (b) | 1,335,501 | 3,278,420 |
| Western Forest Products, Inc. (b) | 211,149 | 104,901 |
| | | 5,274,564 |

Semiconductors & Semiconductor

Equipment 0.0%

| | | |
|-------------------------|-------|--------|
| SunPower Corp., Class B | 4,892 | 56,136 |
|-------------------------|-------|--------|

Common Stocks (c)

Shares

Value

Software 0.2%

| | | | | |
|---------------------------------------|-----|---------|----|---------|
| Bankruptcy Management Solutions, Inc. | USD | 1,870 | \$ | 935 |
| HMH Holdings/EduMedia | | 163,184 | | 815,919 |
| | | | | 816,854 |

Specialty Retail 0.0%

| | | | | |
|---------------------|--|---------|--|-------|
| Movie Gallery, Inc. | | 503,737 | | 1,008 |
|---------------------|--|---------|--|-------|

Total Common Stocks 2.0%

8,897,855

Corporate Bonds

**Par
(000)**

Aerospace & Defense 0.7%

| | | | | |
|---|--|-------|--|-----------|
| Bombardier, Inc., 7.75%, 3/15/20 (b) | | 1,750 | | 1,881,250 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | | 1,160 | | 1,294,850 |
| | | | | 3,176,100 |

Airlines 0.7%

| | | | | |
|---|--|-------|--|-----------|
| Air Canada, 9.25%, 8/01/15 (b) | | 1,250 | | 1,306,250 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | | 950 | | 1,033,385 |
| United Air Lines, Inc., 12.75%, 7/15/12 | | 792 | | 889,420 |
| | | | | 3,229,055 |

Auto Components 1.3%

| | | | | |
|---|--|-------|--|-----------|
| Icahn Enterprises LP: 7.75%, 1/15/16 | | 320 | | 318,400 |
| 8.00%, 1/15/18 | | 5,260 | | 5,220,550 |
| Venture Holdings Co. LLC (c)(e): 12.00%, 6/01/09 | | 4,450 | | |
| Series B, 9.50%, 7/01/05 | | 1,800 | | 180 |
| | | | | 5,539,130 |

Beverages 0.1%

| | | | |
|---|-----|-----|---------|
| Crown European Holdings SA, 7.13%, 8/15/18 (b) | EUR | 410 | 544,172 |
|---|-----|-----|---------|

Biotechnology 0.1%

| | | | |
|------------------------------------|-----|-----|---------|
| QHP Pharma, 10.25%, 3/15/15 (b) | USD | 442 | 446,692 |
|------------------------------------|-----|-----|---------|

Building Products 4.2%

| | | | |
|--|--|-------|-----------|
| Associated Materials LLC, 9.13%, 11/01/17 (b) | | 810 | 826,200 |
| Building Materials Corp. of America, 7.00%, 2/15/20 (b) | | 1,300 | 1,339,000 |

Portfolio Abbreviations

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

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

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|--|--------------|--------------|
| Building Products (concluded) | | |
| CPG International I, Inc.: | | |
| 7.50%, 7/01/12 (a) | USD 7,500 | \$ 7,453,125 |
| 10.50%, 7/01/13 | 1,300 | 1,321,125 |
| Momentive Performance Materials, Inc., 9.00%, 1/15/21 (b) | 1,700 | 1,691,500 |
| Nortek, Inc.: | | |
| 11.00%, 12/01/13 | 2,983 | 3,139,817 |
| 10.00%, 12/01/18 (b) | 1,730 | 1,730,000 |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | 1,050 | 1,113,000 |
| | | 18,613,767 |
| Capital Markets 0.3% | | |
| E*Trade Financial Corp., 4.01%, 8/31/19 (b)(f)(g) | | |
| | 593 | 845,766 |
| KKR Group Finance Co., 6.38%, 9/29/20 (b) | 540 | 548,999 |
| | | 1,394,765 |
| Chemicals 3.0% | | |
| American Pacific Corp., 9.00%, 2/01/15 | | |
| | 1,490 | 1,491,862 |
| CF Industries, Inc., 6.88%, 5/01/18 | 1,475 | 1,618,812 |
| GEO Specialty Chemicals, Inc. (b): | | |
| 7.50%, 3/31/15 (d)(g) | 4,171 | 2,711,012 |
| 10.00%, 3/31/15 | 4,106 | 2,668,640 |
| Hexion U.S. Finance Corp.: | | |
| 8.88%, 2/01/18 | 455 | 468,650 |
| 9.00%, 11/15/20 (b) | 605 | 600,463 |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b) | 465 | 500,456 |
| Wellman Holdings, Inc., Subordinate Note (g): | | |
| (Second Lien), 10.00%, 1/29/19 (b) | 2,978 | 2,590,860 |
| (Third Lien), 5.00%, 1/29/19 (d) | 978 | 381,332 |
| | | 13,032,087 |
| Commercial Banks 2.2% | | |
| CIT Group, Inc.: | | |

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| | | | |
|---------------------------------|--|-------|-----------|
| 7.00%, 5/01/16 | | 2,235 | 2,195,887 |
| 7.00%, 5/01/17 | | 7,200 | 7,020,000 |
| Glitnir Banki HF (c)(e): | | | |
| 4.76%, 4/20/10 (b) | | 184 | 55,660 |
| 6.38%, 9/25/12 (b) | | 1,115 | 337,288 |
| Series EMTN, 5.07%, 1/27/10 EUR | | 50 | 19,471 |
| Series EMTN, 3.00%, 6/30/10 | | 75 | 29,206 |
| Series GMTN, 4.38%, 2/05/10 | | 85 | 33,100 |
| | | | 9,690,612 |

Commercial Services & Supplies 1.5%

| | | | |
|---|-----|-----|---------|
| ACCO Brands Corp., 10.63%, 3/15/15 | USD | 660 | 734,250 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | | 505 | 511,313 |
| The Geo Group, Inc., 7.75%, 10/15/17 | | 850 | 901,000 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b) | | 375 | 383,906 |

Corporate Bonds

| | | Par (000) | Value |
|--|--|--------------|-------|
|--|--|--------------|-------|

Commercial Services & Supplies (concluded)

| | | | |
|--|-----|-------|--------------|
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b) | USD | 970 | \$ 1,071,850 |
| West Corp. (b): 8.63%, 10/01/18 | | 2,270 | 2,360,800 |
| 7.88%, 1/15/19 | | 635 | 627,062 |
| | | | 6,590,181 |

Consumer Finance 1.0%

| | | | |
|--|--|-------|-----------|
| Credit Acceptance Corp., 9.13%, 2/01/17 (b) | | 570 | 595,650 |
| Ford Motor Credit Co. LLC: 3.04%, 1/13/12 (a) | | 2,680 | 2,680,000 |
| 6.63%, 8/15/17 | | 900 | 927,649 |
| | | | 4,203,299 |

Containers & Packaging 2.7%

| | | | |
|---|-----|-------|-----------|
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (b) | EUR | 485 | 620,108 |
| Ball Corp., 6.75%, 9/15/20 | USD | 625 | 665,625 |
| Berry Plastics Corp.: 8.25%, 11/15/15 | | 2,100 | 2,184,000 |
| 9.75%, 1/15/21 (b) | | 1,145 | 1,096,337 |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 260 | 330,742 |
| Crown Americas LLC, 7.63%, 5/15/17 | USD | 710 | 766,800 |
| Graphic Packaging International, Inc., 9.50%, 6/15/17 | | 975 | 1,057,875 |
| Smurfit Kappa Acquisitions: | | | |

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| | | | |
|---------------------|-----|-------|------------|
| 7.25%, 11/15/17 (b) | EUR | 830 | 1,088,150 |
| 7.75%, 11/15/19 | | 2,300 | 3,067,602 |
| 7.75%, 11/15/19 (b) | | 785 | 1,046,986 |
| | | | 11,924,225 |

Diversified Financial Services 3.3%

| | | | |
|------------------------------------|-----|-------|------------|
| Ally Financial Inc.: | | | |
| 5.38%, 6/06/11 | | 436 | 565,947 |
| 7.50%, 12/31/13 | USD | 90 | 94,725 |
| 8.30%, 2/12/15 | | 1,700 | 1,789,250 |
| 8.00%, 3/15/20 (b) | | 200 | 206,000 |
| 7.50%, 9/15/20 (b) | | 5,450 | 5,341,000 |
| 8.00%, 11/01/31 | | 1,350 | 1,397,250 |
| Archimedes Funding III Ltd., | | | |
| 5.50%, 11/29/11 (b) | | 3,734 | 1,717,492 |
| Axcan Intermediate Holdings, Inc., | | | |
| 12.75%, 3/01/16 | | 665 | 693,263 |
| Preferred Term Securities VI, | | | |
| Ltd. (b)(c) | | 35 | 1,750 |
| Reynolds Group DL Escrow, Inc., | | | |
| 7.75%, 10/15/16 (b) | | 1,445 | 1,506,413 |
| Reynolds Group Issuer, Inc. (b): | | | |
| 7.75%, 10/15/16 | EUR | 650 | 869,040 |
| 7.13%, 4/15/19 | USD | 480 | 488,400 |
| | | | 14,670,530 |

Diversified Telecommunication Services 2.0%

| | | | |
|--------------------------------|--|-------|-----------|
| Frontier Communications Corp., | | | |
| 8.25%, 4/15/17 | | 1,076 | 1,183,600 |
| ITC Deltacom, Inc., 10.50%, | | | |
| 4/01/16 | | 1,260 | 1,351,350 |

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------------|
| Diversified Telecommunication Services (concluded) | | |
| Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b) | USD 390 | \$ 415,350 |
| Qwest Corp., 8.38%, 5/01/16 | 4,000 | 4,800,000 |
| tw telecom holdings, Inc., 8.00%, 3/01/18 | 920 | 970,600 |
| | | <u>8,720,900</u> |
| Electronic Equipment, Instruments & Components 0.0% | | |
| Muzak Holdings, LLC, 13.00%, 3/15/10 (c)(e) | 2,675 | 268 |
| Energy Equipment & Services 0.5% | | |
| Compagnie Generale de Geophysique-Veritas, 7.50%, 5/15/15 | 1,385 | 1,419,625 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b) | 895 | 888,287 |
| | | <u>2,307,912</u> |
| Food & Staples Retailing 0.4% | | |
| Rite Aid Corp., 9.75%, 6/12/16 | 1,590 | 1,707,263 |
| Food Products 0.4% | | |
| B&G Foods, Inc., 7.63%, 1/15/18 | 900 | 932,625 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | 840 | 949,200 |
| | | <u>1,881,825</u> |
| Health Care Equipment & Supplies 0.3% | | |
| DJO Finance LLC, 10.88%, 11/15/14 | 1,345 | 1,466,050 |
| Health Care Providers & Services 1.2% | | |
| American Renal Holdings, 8.38%, 5/15/18 (b) | 470 | 486,450 |
| inVentiv Health Inc., 10.00%, 8/15/18 (b) | 405 | 397,912 |

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| | | | |
|---|----------------------|-------|--------------|
| Tenet Healthcare Corp.: | | | |
| 9.00%, 5/01/15 | | 680 | 729,300 |
| 8.88%, 7/01/19 | | 3,280 | 3,493,200 |
| | | | 5,106,862 |
| <hr/> | | | |
| Health Care Technology 0.9% | | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | | 2,980 | 3,471,700 |
| MedAssets, Inc., 8.00%, 11/15/18 (b) | | 270 | 272,025 |
| | | | 3,743,725 |
| <hr/> | | | |
| Hotels, Restaurants & Leisure 1.3% | | | |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b) | | 1,040 | 1,060,800 |
| Dunkin Finance Corp., 9.63%, 12/01/18 (b) | | 205 | 206,281 |
| HRP Myrtle Beach Holdings LLC, 14.68%, 4/01/14 (b)(c)(e)(f) | | 6,891 | 689 |
| | | | |
| | Par (000) | | Value |
| <hr/> | | | |
| Hotels, Restaurants & Leisure (concluded) | | | |
| HRP Myrtle Beach Operations LLC (b)(c)(e): | | | |
| 0.00%, 4/01/12 | USD | 5,000 | \$ 500 |
| 0.00%, 4/01/13 | | 5,000 | 500 |
| Harrah s Operating Co., Inc., 10.00%, 12/15/18 | | 475 | 401,375 |
| Little Traverse Bay Bands of Odawa Indians., 9.00%, 8/31/20 (b) | | 839 | 692,175 |
| MGM Resorts International, 11.13%, 11/15/17 | | 1,340 | 1,514,200 |
| Marina District Finance Co., Inc., 9.88%, 8/15/18 (b) | | 85 | 81,388 |
| Travelport LLC, 4.92%, 9/01/14 (a) | | 2,160 | 1,954,800 |
| Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (c)(e) | | 530 | 1,272 |
| | | | 5,913,980 |
| <hr/> | | | |
| Household Durables 1.0% | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 | | 1,700 | 1,946,500 |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | | 1,695 | 1,714,069 |
| Standard Pacific Corp.: | | | |
| 6.25%, 4/01/14 | | 315 | 327,600 |
| 7.00%, 8/15/15 | | 600 | 618,000 |
| | | | 4,606,169 |
| <hr/> | | | |

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| | | |
|--|-------|------------|
| IT Services 0.3% | | |
| First Data Corp., 10.55%, 9/24/15 (d) | 1,360 | 1,148,710 |
| Independent Power Producers & Energy Traders 3.1% | | |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | 1,750 | 1,841,875 |
| Calpine Corp., 7.50%, 2/15/21 (b) | 945 | 928,463 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | 3,190 | 3,263,861 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 1,490 | 1,528,224 |
| NRG Energy, Inc.: 7.25%, 2/01/14 | 2,385 | 2,432,700 |
| 7.38%, 2/01/16 | 2,675 | 2,688,375 |
| 8.50%, 6/15/19 | 800 | 812,000 |
| | | 13,495,498 |
| Industrial Conglomerates 1.7% | | |
| Sequa Corp. (b): 11.75%, 12/01/15 | 2,850 | 3,042,375 |
| 13.50%, 12/01/15 (d) | 4,023 | 4,364,787 |
| | | 7,407,162 |
| Machinery 1.1% | | |
| ESCO Corp., 4.17%, 12/15/13 (a)(b) | 3,070 | 3,073,837 |
| Navistar International Corp., 8.25%, 11/01/21 | 1,780 | 1,909,050 |
| | | 4,982,887 |

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|--|-----|--------------|--------------|
| Media 5.3% | | | |
| CCO Holdings LLC, 7.88%, 4/30/18 (b) | USD | 2,075 | \$ 2,147,625 |
| CSC Holdings, Inc., 8.50%, 4/15/14 | | 680 | 745,450 |
| Checkout Holding Corp., 10.99%, 11/15/15 (b)(f) | | 1,425 | 862,125 |
| Clear Channel Worldwide Holdings, Inc.: 9.25%, 12/15/17 | | 639 | 677,340 |
| Series B, 9.25%, 12/15/17 | | 5,422 | 5,787,985 |
| DISH DBS Corp., 7.00%, 10/01/13 | | 3,000 | 3,195,000 |
| Interactive Data Corp., 10.25%, 8/01/18 (b) | | 1,715 | 1,852,200 |
| The McClatchy Co., 11.50%, 2/15/17 | | 205 | 214,738 |
| Nielsen Finance LLC, 11.63%, 2/01/14 | | 1,925 | 2,194,500 |
| ProQuest LLC, 9.00%, 10/15/18 (b) | | 415 | 427,450 |
| Regal Entertainment Group, 9.13%, 8/15/18 | | 555 | 585,525 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (b) | | 895 | 895,000 |
| UPC Germany GmbH, 8.13%, 12/01/17 (b) | | 3,000 | 3,120,000 |
| Ziggo Finance BV, 6.13%, 11/15/17 (b) | EUR | 655 | 828,963 |
| | | | 23,533,901 |
| Metals & Mining 1.5% | | | |
| Drummond Co., Inc., 9.00%, 10/15/14 (b) | USD | 1,056 | 1,114,080 |
| FMG Resources August 2006 Pty Ltd., 7.00%, 11/01/15 (b) | | 2,070 | 2,095,890 |
| RathGibson, Inc., 11.25%, 2/15/14 (c)(e) | | 4,440 | 22,200 |
| Ryerson, Inc., 7.66%, 11/01/14 (a) | | 3,595 | 3,352,337 |
| | | | 6,584,507 |
| Multiline Retail 0.5% | | | |
| Dollar General Corp., 11.88%, 7/15/17 (d) | | 1,775 | 2,059,000 |

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Oil, Gas & Consumable

Fuels 4.6%

| | | |
|--|-------|-----------|
| Atlas Energy Operating Co. LLC: | | |
| 12.13%, 8/01/17 | 1,440 | 1,886,400 |
| 10.75%, 2/01/18 | 135 | 164,531 |
| Chesapeake Energy Corp., 6.63%, 8/15/20 | | |
| | 2,645 | 2,664,837 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) | | |
| | 490 | 521,850 |
| Consol Energy, Inc., 8.25%, 4/01/20 (b) | | |
| | 1,750 | 1,894,375 |
| Crosstex Energy LP, 8.88%, 2/15/18 | | |
| | 100 | 104,250 |
| Denbury Resources, Inc.: | | |
| 9.75%, 3/01/16 | 925 | 1,024,438 |
| 8.25%, 2/15/20 | 670 | 730,300 |
| El Paso Corp., 7.00%, 6/15/17 | | |
| | 1,575 | 1,659,486 |
| Energy Transfer Equity LP, 7.50%, 10/15/20 | | |
| | 1,065 | 1,102,275 |

| Corporate Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Oil, Gas & Consumable Fuels (concluded)

| | | | | |
|--|-----|-------|----|------------|
| Forest Oil Corp., 8.50%, 2/15/14 | USD | 470 | \$ | 509,950 |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b) | | 660 | | 676,500 |
| Linn Energy LLC (b): | | | | |
| 8.63%, 4/15/20 | | 700 | | 742,000 |
| 7.75%, 2/01/21 | | 815 | | 827,225 |
| Massey Energy Co., 6.88%, 12/15/13 | | | | |
| | | 1,300 | | 1,309,750 |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b) | | | | |
| | | 700 | | 735,000 |
| OPTI Canada, Inc., 9.00%, 12/15/12 (b) | | | | |
| | | 1,850 | | 1,840,750 |
| Petrohawk Energy Corp., 7.25%, 8/15/18 | | | | |
| | | 855 | | 852,863 |
| Titan Petrochemicals Group Ltd., 8.50%, 3/18/12 (b) | | | | |
| | | 1,760 | | 1,144,000 |
| | | | | 20,390,780 |

Paper & Forest Products 2.7%

| | | | | |
|--|--|-------|--|------------|
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) | | | | |
| | | 4,312 | | 3,858,979 |
| Clearwater Paper Corp., 10.63%, 6/15/16 | | | | |
| | | 640 | | 734,400 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | | | | |
| | | 2,950 | | 3,259,750 |
| NewPage Corp., 11.38%, 12/31/14 | | | | |
| | | 2,740 | | 2,479,700 |
| Verso Paper Holdings LLC: | | | | |
| 11.50%, 7/01/14 | | 550 | | 596,750 |
| Series B, 4.04%, 8/01/14 (a) | | 890 | | 792,100 |
| | | | | 11,721,679 |

Pharmaceuticals 0.5%

| | | | | |
|---|--|-------|--|-----------|
| Angiotech Pharmaceuticals, Inc., 4.05%, 12/01/13 (a) | | | | |
| | | 1,335 | | 1,091,362 |

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| | | | |
|---|-----|-------|-----------|
| Novasep Holding SAS, 9.63%, 12/15/16 (b) | EUR | 564 | 483,184 |
| Valeant Pharmaceuticals | | | |
| International (b): | | | |
| 6.75%, 10/01/17 | USD | 315 | 311,063 |
| 7.00%, 10/01/20 | | 400 | 390,000 |
| | | | 2,275,609 |
| Professional Services 0.1% | | | |
| FTI Consulting, Inc., 6.75%, 10/01/20 (b) | | | |
| | | 560 | 565,600 |
| Real Estate Investment Trusts (REITs) 0.3% | | | |
| Omega Healthcare Investors, Inc.: | | | |
| 7.50%, 2/15/20 | | 1,010 | 1,052,925 |
| 6.75%, 10/15/22 (b) | | 450 | 448,875 |
| | | | 1,501,800 |
| Road & Rail 0.1% | | | |
| The Hertz Corp., 7.50%, 10/15/18 (b) | | | |
| | | 510 | 515,100 |
| Specialty Retail 0.3% | | | |
| United Auto Group, Inc., 7.75%, 12/15/16 | | | |
| | | 1,275 | 1,252,688 |
| Textiles, Apparel & Luxury Goods 0.3% | | | |
| Phillips-Van Heusen Corp.: | | | |
| 7.38%, 5/15/20 | | 925 | 992,062 |

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | Value |
|---|--------------|-------------|
| Textiles, Apparel & Luxury Goods (concluded) | | |
| Phillips-Van Heusen Corp. (concluded): 7.75%, 11/15/23 | USD 410 | \$ 447,234 |
| | | 1,439,296 |
| Wireless Telecommunication Services 2.5% | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 3,050 | 3,118,625 |
| Digicel Group Ltd. (b): 9.13%, 1/15/15 | 3,948 | 3,987,480 |
| 8.25%, 9/01/17 | 300 | 315,000 |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 2,275 | 2,272,156 |
| Sprint Capital Corp.: 8.38%, 3/15/12 | 625 | 657,813 |
| 6.88%, 11/15/28 | 850 | 722,500 |
| | | 11,073,574 |
| Total Corporate Bonds 54.0% | | 238,457,360 |
| Floating Rate Loan Interests (a) | | |
| Aerospace & Defense 0.4% | | |
| Hawker Beechcraft Acquisition Co., LLC: Letter of Credit Linked Deposit, 0.19%, 3/26/14 | 119 | 100,846 |
| Term Loan, 2.26% - 2.29%, 3/26/14 | 2,071 | 1,756,678 |
| | | 1,857,524 |
| Airlines 0.4% | | |
| Delta Air Lines, Inc., Credit-Linked Deposit Loan, 2.29%, 4/30/12 | 1,940 | 1,891,500 |
| Auto Components 1.3% | | |
| Allison Transmission, Inc., Term Loan, 3.01% - 3.04%, 8/07/14 | 3,930 | 3,792,065 |

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| | | |
|---|----------------------|--------------|
| Dana Holding Corp., Term Advance, 4.51% - 4.54%, 1/30/15 | 328 | 328,076 |
| Global Autocare, Term Loan B, 6.00%, 11/02/16 | 1,560 | 1,560,975 |
| | | 5,681,116 |
| Automobiles 0.7% | | |
| Ford Motor Co.: | | |
| Tranche B-1 Term Loan, 3.01% - 3.05%, 12/15/13 | 2,923 | 2,891,965 |
| Tranche B-2 Term Loan, 3.01% - 3.05%, 12/15/13 | 315 | 311,140 |
| | | 3,203,105 |
| Biotechnology 0.3% | | |
| Grifols SA, Term Loan B, 6.00%, 10/01/16 | 1,405 | 1,417,294 |
| Building Products 1.3% | | |
| Goodman Global, Inc.: | | |
| Term Loan (Second Lien), 9.00%, 10/13/17 | 1,200 | 1,227,300 |
| Term Loan B, 5.75%, 10/13/16 | 3,250 | 3,271,450 |
| | | |
| Floating Rate Loan Interests (a) | Par (000) | Value |
| Building Products (concluded) | | |
| Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 3.05%, 12/04/13 | EUR 1,072 | \$ 1,313,494 |
| | | 5,812,244 |
| Capital Markets 0.4% | | |
| Nuveen Investments, Inc., Term Loan (First Lien), 3.29%, 11/13/14 | USD 1,925 | 1,793,548 |
| Chemicals 4.3% | | |
| Arizona Chemical, Term Loan B, 6.75%, 11/18/16 | 1,200 | 1,206,750 |
| CF Industries, Inc., Term Loan B-1, 4.50%, 4/05/15 | 786 | 788,223 |
| Chemtura Corp., Exit Term Loan, 5.50%, 8/16/16 | 1,300 | 1,307,583 |
| Gentek Holding, LLC, Term Loan B, 6.75%, 9/30/15 | 2,575 | 2,607,187 |
| Lyondell Chemical Co., Exit Term Loan, 5.50%, 4/08/16 | 675 | 675,697 |
| MacDermid, Inc., Tranche C Term Loan, 3.01%, 12/15/13 | EUR 694 | 832,708 |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.51% - 3.54%, 7/30/14 | USD 2,932 | 2,787,337 |

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| | | |
|--|-------|------------|
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14 | 1,340 | 1,343,735 |
| Solutia, Inc., Term Loan, 4.50%, 3/17/17 | 1,649 | 1,654,323 |
| Styron Sarl, Term Loan, 7.50%, 6/17/16 | 1,580 | 1,599,750 |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15 | 3,965 | 3,981,534 |
| | | 18,784,827 |
| Commercial Banks 0.4% | | |
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 1/20/12 | 1,950 | 1,979,819 |
| Commercial Services & Supplies 3.2% | | |
| ARAMARK Corp.: Letter of Credit - 1 Facility, 0.10%, 1/26/14 | 55 | 54,251 |
| Letter of Credit - 2 Facility, 0.10%, 7/26/16 | 29 | 28,679 |
| US Term Loan, 2.16%, 1/26/14 | 684 | 673,456 |
| US Term Loan B, 3.54%, 7/26/16 | 438 | 436,082 |
| AWAS Finance Luxembourg Sarl, Term Loan B, 7.75%, 6/10/16 | 2,250 | 2,291,249 |
| Altegrity, Inc., Incremental Term Loan, 7.75%, 2/21/15 | 2,992 | 2,999,981 |
| Casella Waste Systems, Inc., Term Loan B, 7.00%, 4/09/14 | 385 | 387,532 |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16 | 975 | 989,799 |
| International Lease Finance Corp., Term Loan 1, 6.75%, 3/17/15 | 2,800 | 2,836,000 |
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16 | 948 | 926,699 |

BLACKROCK DEBT STRATEGIES FUND, INC.

NOVEMBER 30, 2010

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Schedule of Investments (continued)

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

| Floating Rate Loan Interests (a) | Par (000) | Value |
|---|--------------|-------------------|
| Commercial Services & Supplies (concluded) | | |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.26%, 4/02/14 | USD 984 | \$ 866,962 |
| Volume Services America, Inc. (Centerplate), Term Loan B, 10.75%, 8/24/16 | 1,800 | 1,795,500 |
| | | <u>14,286,190</u> |
| Communications Equipment 0.3% | | |
| Avaya, Inc., Term Loan B, 3.04%, 10/24/14 | 1,545 | 1,401,605 |
| Construction & Engineering 0.6% | | |
| Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/18/17 | 2,750 | 2,750,000 |
| Construction Materials 0.2% | | |
| Fairmount Minerals Ltd., Term Loan B, 6.25% - 6.75%, 8/05/16 | 675 | 683,719 |
| Consumer Finance 1.1% | | |
| AGFS Funding Co., Term Loan, 7.25%, 4/21/15 | 5,000 | 5,036,720 |
| Containers & Packaging 0.5% | | |
| Berry Plastics Holding Corp., Term Loan C, 2.27% - 2.28%, 4/03/15 | 342 | 320,932 |
| Graham Packaging Co., LP, Term Loan D, 6.00%, 9/16/16 | 1,700 | 1,713,812 |
| | | <u>2,034,744</u> |
| Diversified Consumer Services 2.6% | | |
| Coinmach Service Corp., Term Loan, 3.28%, 11/14/14 | 4,571 | 3,985,545 |
| Laureate Education: Delay Draw Term Loan, 3.54%, 8/15/14 | 71 | 66,635 |
| Series A New Term Loan, 7.00%, 8/15/14 | 4,286 | 4,261,746 |

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| | | |
|---|-------|------------|
| Term Loan B, 3.54%, 8/17/14 | 474 | 445,120 |
| ServiceMaster Co.: | | |
| Closing Date Term Loan, 2.76% - 2.80%, 7/24/14 | 2,528 | 2,389,573 |
| Delayed Draw Term Loan, 2.76%, 7/24/14 | 410 | 388,013 |
| | | 11,536,632 |

Diversified Financial

Services 1.4%

Reynolds Group Holdings, Inc.:

| | | |
|---|---------|-----------|
| Incremental US Term Loan, 6.25%, 5/05/16 | 1,391 | 1,399,365 |
| Term Loan D, 6.50%, 5/01/16 | 1,600 | 1,610,667 |
| US Term Loan, 6.75%, 5/05/16 | 1,185 | 1,193,935 |
| Whitelabel IV SA: | | |
| Term Loan B1, 6.75%, 8/11/17 | EUR 565 | 733,659 |

| Floating Rate Loan Interests (a) | Par (000) | Value |
|----------------------------------|--------------|--------------|
| Diversified Financial | | |
| Services (concluded) | | |
| Whitelabel IV SA (concluded): | | |
| Term Loan B2, 6.75%, 8/11/17 | EUR 935 | \$ 1,214,108 |
| | | 6,151,734 |

Diversified Telecommunication

Services 1.7%

Hawaiian Telcom Communications,

| | | |
|---|-----------|-----------|
| Inc., Term Loan, 9.00%, 10/28/15 | USD 3,418 | 3,437,330 |
| Level 3 Communications, Incremental Term Loan, 2.54%, 3/13/14 | 3,250 | 3,017,856 |
| Wind Telecomunicazioni SpA: Term Loan Facility B2, 3.47%, 5/26/14 | 569 | 565,699 |
| Term Loan Facility C2, 3.47%, 5/24/13 | 569 | 565,700 |
| | | 7,586,585 |

Electric Utilities 0.7%

New Development Holdings LLC,

| | | |
|---------------------------|-------|-----------|
| Term Loan, 7.00%, 7/03/17 | 2,992 | 3,040,021 |
|---------------------------|-------|-----------|

Electrical Equipment 0.1%

Generac Acquisition Corp., Term

| | | |
|---|-----|---------|
| Loan (First Lien), 2.75% - 2.79%, 11/10/13 | 343 | 330,383 |
|---|-----|---------|

**Electronic Equipment, Instruments
& Components 0.7%**

| | | |
|--|-------|-----------|
| | 2,559 | 2,463,709 |
|--|-------|-----------|

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| | | | |
|--|--|-----|-----------|
| CDW LLC (FKA CDW Corp.), Term Loan, 4.25%, 10/10/14 | | | |
| Flextronics International Ltd., Closing Date Loan B, 2.50%, 10/01/12 | | 534 | 528,122 |
| | | | <hr/> |
| | | | 2,991,831 |

**Energy Equipment &
Services 0.4%**

| | | | |
|--|--|-------|-----------|
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16 | | 1,907 | 1,908,477 |
|--|--|-------|-----------|

Food & Staples Retailing 1.5%

| | | | |
|---|-----|-------|-----------|
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.56%, 7/09/15 | GBP | 1,700 | 2,364,967 |
| Pilot Travel Centers LLC, Initial Tranche B Term Loan, 5.25%, 6/30/16 | USD | 2,151 | 2,175,579 |
| U.S. Foodservice, Inc., Term Loan B, 2.75% - 2.76%, 7/03/14 | | 2,365 | 2,141,311 |
| | | | <hr/> |
| | | | 6,681,857 |

Food Products 2.9%

| | | | |
|--|--|-------|-----------|
| Advance Pierre Foods, Term Loan (Second Lien): 7.50%, 9/29/16 | | 2,900 | 2,873,416 |
| 11.25%, 9/29/17 | | 1,800 | 1,813,500 |
| Dole Food Co., Inc., Tranche B-1 Term Loan, 5.00% - 5.50%, 3/02/17 | | 795 | 797,895 |
| Green Mountain Coffee, Inc., Term Loan B, 6.00%, 11/09/16 | | 1,200 | 1,206,750 |

Schedule of Investments (continued)

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

| Floating Rate Loan Interests (a) | Par (000) | Value |
|---|--------------|--------------|
| Food Products (concluded) | | |
| Michael Foods Group, Inc. (FKA M-Foods Holdings, Inc.), Term Loan B, 6.25%, 6/29/16 | USD 998 | \$ 1,006,540 |
| Pilgrim's Pride Corp., Term Loan A, 5.29%, 12/01/12 | 1,430 | 1,387,100 |
| Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14 | 1,803 | 1,823,125 |
| Solvest Ltd. (Dole), Tranche C-1 Term Loan, 5.00% - 5.50%, 3/02/17 | 1,974 | 1,980,636 |
| | | 12,888,962 |
| Health Care Equipment & Supplies 0.4% | | |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan, 3.26%, 5/20/14 | 1,727 | 1,688,171 |
| Health Care Providers & Services 4.6% | | |
| CHS/Community Health Systems, Inc.: Delayed Draw Term Loan, 2.54%, 7/25/14 | 195 | 190,360 |
| Term Loan Facility, 2.51% - 2.54%, 7/25/14 | 3,822 | 3,782,663 |
| DaVita, Inc., Term Loan B, 4.50%, 10/20/16 | 2,000 | 2,005,000 |
| Gentiva Health Services, Inc., Term Loan B, 6.75%, 8/12/16 | 150 | 151,000 |
| HCA, Inc.: Tranche A-1 Term Loan, 1.54%, 11/16/12 | 4,494 | 4,393,463 |
| Tranche B-1 Term Loan, 2.54%, 11/18/13 | 245 | 239,794 |
| Harden Healthcare, Inc.: Add-on Term Loan, 7.75%, 3/02/15 | 2,584 | 2,532,075 |
| Tranche A Term Loan, 8.50%, 2/22/15 | 769 | 753,887 |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16 | 3,482 | 3,499,284 |
| Renal Advantage Holdings, Inc., Tranche B Term Loan, 6.00%, | 1,097 | 1,098,622 |

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| | | |
|---|-------|------------|
| Ceridian Corp., US Term Loan, 3.25% - 3.27%, 11/09/14 | | |
| EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16 | 1,150 | 1,144,250 |
| First Data Corp.: | | |
| Initial Tranche B-1 Term Loan, 3.00%, 9/24/14 | 1,625 | 1,462,500 |
| Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | 3,043 | 2,738,426 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | 1,371 | 1,236,451 |
| SunGard Data Systems, Inc. (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14 | 348 | 348,659 |
| TransUnion Corp., Term Loan B, 6.75%, 6/15/17 | 4,239 | 4,282,829 |
| | | 14,117,026 |

**Independent Power Producers &
Energy Traders 0.5%**

| | | |
|---|-------|-----------|
| Dynegy Holdings, Inc.: | | |
| Term Letter of Credit Facility, 4.01%, 4/02/13 | 327 | 318,909 |
| Tranche B Term Loan, 4.01%, 4/02/13 | 26 | 25,475 |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-2 Term Loan, 3.75% - 3.79%, 10/10/14 | 2,166 | 1,672,516 |

BLACKROCK DEBT STRATEGIES FUND, INC.

NOVEMBER 30, 2010

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Schedule of Investments (continued)

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

| Floating Rate Loan Interests (a) | Par (000) | Value |
|---|--------------|------------------|
| Independent Power Producers & Energy Traders (concluded) | | |
| Texas Competitive Electric Holdings Co., LLC (TXU) (concluded): | | |
| Initial Tranche B-3 Term Loan, 3.75% - 3.79%, 10/10/14 | USD 196 | \$ 150,815 |
| | | <u>2,167,715</u> |
| Industrial Conglomerates 0.9% | | |
| Sequa Corp., Term Loan, 3.54% - 3.55%, 12/03/14 | 1,393 | 1,321,195 |
| Tomkins Plc, Term Loan B, 6.25%, 9/16/16 | 2,500 | 2,527,345 |
| | | <u>3,848,540</u> |
| Insurance 0.1% | | |
| Alliant Holdings I, Inc., Term Loan, 3.29%, 8/21/14 | 581 | 563,671 |
| Internet & Catalog Retail 0.2% | | |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | 1,096 | 1,097,569 |
| Media 9.1% | | |
| Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/09/16 | 995 | 987,953 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning): | | |
| Term Loan, 2.54%, 7/03/14 | 1,250 | 1,152,031 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 1,270 | 1,272,731 |
| Charter Communications Operating, LLC: | | |
| Term Loan B1, 7.25%, 3/06/14 | 1,486 | 1,540,682 |
| Term Loan C, 3.54%, 9/06/16 | 3,693 | 3,611,475 |
| EB Sports Corp., Loan, 11.50%, 5/01/12 | 1,551 | 1,519,750 |
| Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11 | 6,303 | 2,363,533 |
| Getty Images, Inc., Term Loan B, 5.25%, 10/29/16 | 2,800 | 2,821,700 |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 5.75%, 6/12/14 | 2,421 | 2,236,730 |

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| | | | |
|--|-----|-------|-----------|
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.56%, 3/10/14 | | 740 | 327,293 |
| Interactive Data Corp., Term Loan, 6.75%, 1/29/17 | | 1,297 | 1,314,029 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): | | | |
| Facility B1, 3.52%, 6/30/15 | EUR | 337 | 351,616 |
| Facility C1, 3.77%, 6/30/16 | | 674 | 703,233 |
| Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | USD | 990 | 980,100 |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | 4,250 | 4,505,000 |
| Sinclair Television Group, Inc., New Tranche B Term Loan, 5.50%, 10/29/15 | | 1,587 | 1,607,121 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 1,900 | 2,450,869 |

| Floating Rate Loan Interests (a) | | Par (000) | Value |
|----------------------------------|--|--------------|-------|
|----------------------------------|--|--------------|-------|

Media (concluded)

| | | | |
|--|-----|-------|--------------|
| Sunshine Acquisition Ltd. (FKA HIT Entertainment), Term Facility, 5.54%, 6/01/12 | USD | 1,432 | \$ 1,385,759 |
| TWCC Holdings Corp., Replacement Term Loans, 5.00%, 9/14/15 | | 1,917 | 1,925,938 |
| UPC Financing Partnership, Facility U, 4.85%, 12/31/17 | EUR | 1,600 | 1,943,822 |
| Univision Communications, Inc., Exit Term Loan, 4.51%, 3/31/17 | | 1,950 | 1,816,191 |
| Virgin Media Investment Holdings Ltd., Facility B, 4.78%, 12/31/15 | GBP | 1,250 | 1,922,791 |
| Yell Group Plc/Yell Finance (UK) Ltd., Facility A3, 2.76%, 8/09/11 | USD | 1,266 | 1,227,656 |
| | | | 39,968,003 |

Metals & Mining 0.5%

| | | | |
|--|--|-------|-----------|
| Euramax International, Inc., Domestic Term Loan: | | | |
| 10.00%, 6/29/13 | | 1,286 | 1,222,113 |
| 14.00%, 6/29/13 | | 1,219 | 1,157,962 |
| | | | 2,380,075 |

Multi-Utilities 0.1%

| | | | |
|---|--|-----|---------|
| FirstLight Power Resources, Inc. (FKA NE Energy, Inc.): | | | |
| Synthetic Letter of Credit, 0.16%, 11/01/13 | | 9 | 8,218 |
| Term B Advance (First Lien), 2.81%, 11/01/13 | | 466 | 447,142 |
| | | | 455,360 |

Multiline Retail 1.6%

| | | |
|--------------------------------------|---------|------------------|
| Dollar General Corp., Tranche B-2 | | |
| Term Loan, 3.00% - 3.01%, 7/07/14 | 1,439 | 1,430,952 |
| Hema Holding BV: | | |
| Facility B, 2.85%, 7/06/15 | EUR 369 | 458,666 |
| Facility C, 3.60%, 7/05/16 | 369 | 458,667 |
| Facility D, 5.85%, 1/01/17 | 2,900 | 3,613,754 |
| The Neiman Marcus Group, Inc., | | |
| Term Loan B, 4.30%, 4/06/16 | USD 961 | 940,993 |
| | | <u>6,903,032</u> |

Oil, Gas & Consumable**Fuels 2.2%**

| | | |
|---|-------|------------------|
| Big West Oil, LLC, Term Loan, 12.00%, 7/23/15 | | |
| | 1,187 | 1,209,766 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 | | |
| | 4,043 | 4,123,860 |
| Turbo Beta Ltd., Dollar Facility, 14.25%, 3/15/18 | | |
| | 6,226 | 4,358,350 |
| | | <u>9,691,976</u> |

Paper & Forest Products 0.8%

| | | |
|---|-------|------------------|
| Georgia-Pacific LLC, Term Loan B, 2.29%, 12/23/12 | | |
| | 156 | 155,893 |
| Verso Paper Finance Holdings LLC, 7.29%, 2/01/13 (d) | | |
| | 4,278 | 3,422,670 |
| | | <u>3,578,563</u> |

Schedule of Investments (continued)

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

| Floating Rate Loan Interests (a) | Par (000) | Value |
|---|--------------|--------------|
| Personal Products 0.4% | | |
| NBTY, Inc., Term Loan B, 6.25%, 9/20/17 | USD 1,700 | \$ 1,719,113 |
| Pharmaceuticals 0.7% | | |
| Warner Chilcott Co., LLC, Term Loan A, 6.00%, 10/30/14 | 689 | 688,497 |
| Warner Chilcott Corp.: Additional Term Loan, 6.25%, 4/30/15 | 674 | 677,901 |
| Term Loan B-1, 6.25%, 4/30/15 | 269 | 270,392 |
| Term Loan B-2, 6.25%, 4/30/15 | 444 | 446,813 |
| Term Loan B-3, 6.50%, 2/20/16 | 672 | 677,581 |
| Term Loan B-4, 6.50%, 2/20/16 | 223 | 225,120 |
| | | 2,986,304 |
| Professional Services 0.9% | | |
| Booz Allen Hamilton, Inc., Tranche C Term Loan, 6.00%, 7/31/15 | 1,737 | 1,740,783 |
| Fifth Third Processing Solutions, LLC, Term Loan B, 5.50%, 10/21/16 | 2,100 | 2,106,825 |
| | | 3,847,608 |
| Real Estate Investment Trusts (REITs) 0.1% | | |
| iStar Financial, Inc., Term Loan (Second Lien), 1.75%, 6/28/11 | 400 | 382,778 |
| Real Estate Management & Development 1.7% | | |
| Enclave, Term Loan (First Lien), 6.14%, 3/01/12 (c)(e) Realogy Corp.: | 4,000 | 1 |
| Delayed Draw Term Loan B, 3.25% - 3.29%, 10/10/13 | 1,464 | 1,344,041 |
| Initial Term Loan B, 3.29%, 10/10/13 | 4,407 | 4,046,359 |
| Synthetic Letter of Credit, 0.11%, 10/10/13 | 601 | 551,556 |

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| | | |
|--|-------|------------------|
| Term Loan (Second Lien), 13.50%, 10/15/17 | 1,500 | 1,625,625 |
| | | <u>7,567,582</u> |

**Semiconductors & Semiconductor
Equipment 0.5%**

| | | |
|---|-------|------------------|
| Freescale Semiconductor, Inc., Extended Maturity Term Loan, 4.50%, 12/01/16 | 738 | 693,362 |
| Microsemi Corp., Term Loan B, 5.00%, 10/25/17 | 1,300 | 1,310,833 |
| | | <u>2,004,195</u> |

Software 0.3%

| | | |
|--|-------|-----------|
| Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16 | 1,095 | 1,100,315 |
|--|-------|-----------|

Specialty Retail 1.9%

| | | |
|--|-------|-----------|
| Burlington Coat Factory Warehouse Corp., Term Loan, 2.51% - 2.52%, 5/28/13 | 680 | 660,280 |
| Gymboree Corp., Term Loan B, 5.50%, 11/09/17 | 1,500 | 1,505,894 |

| Floating Rate Loan Interests (a) | Par (000) | Value |
|----------------------------------|--------------|-------|
|----------------------------------|--------------|-------|

Specialty Retail (concluded)

| | | | | |
|---|-----|-------|----|------------------|
| Michaels Stores, Inc.: Term Loan B-1, 2.56%, 10/31/13 | USD | 1,384 | \$ | 1,333,870 |
| Term Loan B-2, 4.81%, 7/31/16 | | 543 | | 537,385 |
| Petco Animal Supplies, Inc., Term Loan B, 6.00%, 8/18/17 | | 2,800 | | 2,804,900 |
| Toys R US, Inc., Term Loan B, 6.00%, 8/17/16 | | 1,736 | | 1,745,878 |
| | | | | <u>8,588,207</u> |

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

| | | | | |
|--|--|-------|--|-----------|
| Philips Van Huesen Corp., US Tranche B Term Loan, 4.75%, 5/06/16 | | 1,325 | | 1,339,523 |
|--|--|-------|--|-----------|

**Wireless Telecommunication
Services 1.9%**

| | | | | |
|---|--|-------|--|-----------|
| Cavtel Holdings, LLC, Term Loan, 11.50%, 12/31/12 | | 825 | | 827,543 |
| Digicel International Finance Ltd., US Term Loan (Non-Rollover), 2.81%, 3/30/12 | | 875 | | 849,107 |
| MetroPCS Wireless, Inc., Tranche B-2 Term Loan, 3.81%, 11/03/16 | | 906 | | 904,382 |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15 | | 5,500 | | 5,582,500 |

| | |
|---------------------------------|-------------|
| | 8,163,532 |
| Total Floating Rate Loan | |
| Interests 66.1% | 292,008,212 |

| Other Interests (h) | Beneficial Interest (000) | |
|--|--|-----------|
| Airlines 0.1% | | |
| Delta Air Lines, Inc. Default Escrow: | | |
| 8.33% | 5,505 | 130,468 |
| 10% | 4,200 | 99,540 |
| | | 230,008 |
| Auto Components 0.0% | | |
| Intermet Liquidating Trust, Class A | 833 | 250 |
| Diversified Financial Services 0.3% | | |
| J.G. Wentworth LLC Preferred Equity Interests (i) | 1 | 1,190,710 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets, Inc. | 1,440 | 144 |
| Household Durables 0.3% | | |
| Stanley Martin, Class B Membership Units (i) | 2 | 1,219,500 |
| Media 0.0% | | |
| Adelphia Escrow | 7,500 | 750 |
| Adelphia Preferred Escrow | 5 | 1 |
| Adelphia Recovery Trust | 9,406 | 37,624 |

Schedule of Investments (continued)

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

| Other Interests (h) | Beneficial Interest (000) | Value |
|---|---------------------------------|-----------|
| Media (concluded) | | |
| Adelphia Recovery Trust, Series ACC-6B INT | USD 500 | \$ 50 |
| | | 38,425 |
| Metals & Mining 0.3% | | |
| RathGibson Acquisition Corp., LLC (i) | 280 | 1,488,924 |
| Specialty Retail 0.0% | | |
| Movie Gallery, Inc. Default Escrow | 21,700 | 217 |
| Total Other Interests 1.0% | | 4,168,178 |

| Warrants (j) | Shares | |
|--|---------|--------|
| Health Care Providers & Services 0.0% | | |
| HealthSouth Corp. (Expires 1/16/14) | 126,761 | 1 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14) | 1,216 | 12 |
| Media 0.0% | | |
| Charter Communications, Inc. (Expires 11/30/14) | 12,661 | 56,975 |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Turbo Cayman Ltd. (No Expiration) | 4 | |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17) | 1,247 | 13 |

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| | | |
|--|-----------|----------------|
| HMH Holdings/EduMedia (Expires 3/09/17) | 24,924 | |
| | | 13 |
| Total Warrants 0.0% | | 57,001 |
| Total Long-Term Investments (Cost \$617,892,127) 124.2% | | 548,329,556 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.18% (k)(l) | 2,405,698 | 2,405,698 |
| Total Short-Term Securities (Cost \$2,405,698) 0.5% | | 2,405,698 |
| Total Investments (Cost \$620,297,825*) 124.7% | | 550,735,254 |
| Liabilities in Excess of Other Assets (24.7)% | | (109,176,854) |
| Net Assets 100.0% | | \$ 441,558,400 |

* The cost and unrealized appreciation (depreciation) of investments as of November 30, 2010, as computed for federal income tax purposes were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 619,748,188 |
| Gross unrealized appreciation | \$ 21,930,205 |
| Gross unrealized depreciation | (90,943,139) |
| Net unrealized depreciation | \$ (69,012,934) |

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Non-income producing security.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

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- (e) Issuer filed for bankruptcy and/or is in default of interest payments.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (i) The investment is held by a wholly-owned taxable subsidiary of the Fund.
- (j) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (k) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at February 28, 2010 | Net Activity | Shares Held at November 30, 2010 | Income |
|---|---|-----------------|---|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,319,723 | 1,085,975 | 2,405,698 | \$ 4,921 |

- (l) 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. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

Foreign currency exchange contracts as of November 30, 2010 were as follows:

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|------------------|-----------------|--|
| CAD | 741,100 | USD | 726,787 | Citibank NA | 1/19/11 | \$ (5,600) |
| USD | 2,718,254 | CAD | 2,740,000 | Citibank NA | 1/19/11 | 51,873 |
| USD | 3,942,496 | GBP | 2,482,000 | Citibank NA | 1/19/11 | 83,185 |
| EUR | 1,115,000 | USD | 1,500,576 | Citibank NA | 1/28/11 | (53,570) |
| USD | 1,784,379 | EUR | 1,317,000 | Citibank NA | 1/28/11 | 75,225 |
| USD | 25,516,537 | EUR | 18,636,500 | Deutsche Bank AG | 1/28/11 | 1,330,775 |
| Total | | | | | | \$ 1,481,888 |

Credit default swaps on single-name issues - buy protection outstanding as of November 30, 2010 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation |
|--------------------------------|----------------|-----------------------------|----------------|-----------------------|-------------------------|
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs International | December 2011 | USD 855 | \$ 11,653 |
| K. Hovnanian Enterprises, Inc. | 5.00% | Goldman Sachs International | September 2013 | USD 250 | 9,498 |
| Total | | | | | \$ 21,151 |

Credit default swaps on single-name issues - sold protection outstanding as of November 30, 2010 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Depreciation |
|--------------------------------|--------------------|------------------|------------|----------------------------|------------------------------------|-------------------------|
| BAA Ferrovia, Junior Term Loan | 2.00% | Deutsche Bank AG | March 2012 | A- | GBP 900 | \$ (1,660) |

- ¹ Using Standard and Poor's rating.
- ² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

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

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

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

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

Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

The following tables summarize the inputs used as of November 30, 2010 in determining the fair valuation of the Fund's investments and derivatives:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|--------------|----------------|---------------|----------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | | \$ 4,740,950 | \$ 4,740,950 |
| Common Stocks | \$ 3,644,649 | \$ 4,306,696 | 946,510 | 8,897,855 |
| Corporate Bonds | | 228,385,887 | 10,071,473 | 238,457,360 |
| Floating Rate Loan | | | | |
| Interests | | 221,325,907 | 70,682,305 | 292,008,212 |
| Other Interests | | 230,008 | 3,938,170 | 4,168,178 |
| Warrants | 56,975 | | 26 | 57,001 |
| Short-Term Securities | 2,405,698 | | | 2,405,698 |
| Liabilities: | | | | |
| Unfunded Loan | | | | |
| Commitments | | | (18,706) | (18,706) |
| Total | \$ 6,107,322 | \$ 454,248,498 | \$ 90,360,728 | \$ 550,716,548 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|--------------|------------|--------------|
| Assets: | | | | |
| Credit contracts | | \$ 21,151 | | \$ 21,151 |
| Foreign currency exchange contracts | | 1,541,058 | | 1,541,058 |
| Liabilities: | | | | |
| Credit contracts | | | \$ (1,660) | (1,660) |
| Foreign currency exchange contracts | | (59,170) | | (59,170) |
| Total | | \$ 1,503,039 | \$ (1,660) | \$ 1,501,379 |

¹ Derivative financial instruments are swaps and foreign currency exchange contracts. Swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

| Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests |
|-------------------------|---------------|-----------------|------------------------------|
| | | | |

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| Assets/Liabilities: | | | | | | | | |
|---|----|-----------|----|-------------|----|--------------|----|------------|
| Balance, as of February 28, 2010 | \$ | 311,675 | \$ | 11,805,208 | \$ | 58,483,045 | | |
| Accrued discounts/premiums | | | | 369,389 | | 364,374 | | |
| Realized gain (loss) | | | | 214,567 | | (6,026,025) | | |
| Change in unrealized appreciation/ depreciation ² | | 713,481 | | 835,351 | | 9,466,377 | | |
| Purchases | | | | 23,853 | | 1,601,073 | | |
| Sales | | | | (3,126,054) | | (35,055,108) | | |
| Transfers in ³ | \$ | 4,740,950 | | 815,918 | | 49,298,880 | | |
| Transfers out ³ | | (894,564) | | (50,841) | | (7,450,311) | | |
| Balance, as of November 30, 2010 | \$ | 4,740,950 | \$ | 946,510 | \$ | 10,071,473 | \$ | 70,682,305 |

Schedule of Investments (concluded)

BlackRock Debt Strategies Fund, Inc. (DSU)

| | Other Interests | Warrants | Unfunded Loan Commitments | Total |
|--|---------------------|--------------|---------------------------|----------------------|
| Assets/Liabilities: | | | | |
| Balance, as of February 28, 2010 | \$ 2,253,500 | \$ 31,175 | | \$ 72,884,603 |
| Accrued discounts/premiums | | | | 733,763 |
| Realized gain (loss) | 364,537 | (79,953) | | (5,526,874) |
| Change in unrealized appreciation/ depreciation ² | (838,734) | 48,792 | \$ (18,706) | 10,206,561 |
| Purchases | | | | 1,624,926 |
| Sales | (520,767) | | | (38,701,929) |
| Transfers in ³ | 2,679,634 | 12 | | 57,535,394 |
| Transfers out ³ | | | | (8,395,716) |
| Balance, as of November 30, 2010 | \$ 3,938,170 | \$ 26 | \$ (18,706) | \$ 90,360,728 |

² The change in the unrealized appreciation/depreciation on the securities still held on November 30, 2010 was \$2,499,920.

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

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

| | Credit Contracts |
|---|-------------------|
| Balance, as of February 28, 2010 | \$ (94,696) |
| Accrued discounts/premiums | |
| Net realized gain (loss) | |
| Net change in unrealized appreciation/depreciation ⁴ | 93,036 |
| Purchases | |
| Sales | |
| Transfers in ⁵ | |
| Transfers out ⁵ | |
| Balance, as of November 30, 2010 | \$ (1,660) |

⁴ The change in the unrealized appreciation/depreciation on the securities still held on November 30, 2010 was \$93,036.

⁵ The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

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Item 2 Controls and Procedures

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

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

Item 3 Exhibits

Certifications Attached hereto

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

BlackRock Debt Strategies Fund, Inc.

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

Date: January 26, 2011

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

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

Date: January 26, 2011

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

Date: January 26, 2011