

BLACKROCK DEBT STRATEGIES FUND, INC.  
Form N-CSR  
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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 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Debt Strategies Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 02/29/2012

Date of reporting period: 02/29/2012

Item 1 – Report to Stockholders

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February 29, 2012

# Annual Report

BlackRock Corporate High Yield Fund, Inc. (COY)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

BlackRock Debt Strategies Fund, Inc. (DSU)

BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB)

BlackRock Senior High Income Fund, Inc. (ARK)

**Not FDIC Insured** § No

**Bank Guarantee** § May  
Lose Value

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Dear Shareholder

Risk assets were advancing at this time last year despite a wave of geopolitical revolutions, soaring oil prices and natural disasters in Japan. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5, 2011, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region's debt crisis. Investors began to reenter the markets and risk assets recovered through the month. But a lack of definitive details about Europe's rescue plan eventually raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw more political instability in Greece, unsustainable yields on Italian government bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated the markets, but investor confidence was easily tempered by sobering news flow.

Investors showed more optimism at the start of 2012. Risk assets rallied through January and February as economic data grew stronger and debt problems in Europe stabilized. In the United States, jobs data signaled solid improvement in the labor market and the Federal Reserve indicated that it would keep short-term interest rates low through 2014. In Europe, policymakers made significant progress toward securing a Greek bailout plan and restructuring the nation's debt. Nevertheless, considerable headwinds remain. Europe faces a prolonged recession, the US economy still remains somewhat shaky and the risks of additional flare ups of euro-zone debt problems and slowing growth in China weigh heavily on the future of the global economy.

Risk assets, including equities and high yield bonds, recovered their late-summer losses and posted strong returns for the 6-month period ended February 29, 2012. On a 12-month basis, US large-cap stocks and high yield bonds delivered positive results, while small-cap and emerging-market stocks finished slightly negative. International markets, which experienced some significant downturns in 2011, lagged the broader rebound. Fixed income securities, which benefited from declining yields, advanced over the 6- and 12-month periods. Despite their quality rating downgrade, US Treasury bonds performed particularly well. Municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain. For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times. Visit [blackrock.com/newworld](http://blackrock.com/newworld) for more information.

Sincerely,

**Rob Kapito**  
President, BlackRock Advisors, LLC

*For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times.*  
**Rob Kapito**  
President, BlackRock Advisors, LLC

**Total Returns as of February 29, 2012**

	<b>6-month</b>	<b>12-month</b>
	13.31%	5.12%

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US large cap equities (S&P 500® Index)		
US small cap equities (Russell 2000® Index)	12.40	(0.15)
International equities (MSCI Europe, Australasia, Far East Index)	4.13	(7.45)
Emerging market equities (MSCI Emerging Markets Index)	5.27	(0.11)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.00	0.08
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	3.70	17.22
US investment grade bonds (Barclays US Aggregate Bond Index)	2.73	8.37
Tax-exempt municipal bonds (S&P Municipal Bond Index)	5.93	12.88
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	8.62	6.92

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

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Fund Summary as of February 29, 2012

**BlackRock Corporate High Yield Fund, Inc.**

### **Investment Objective**

**BlackRock Corporate High Yield Fund, Inc. s (COY) (the Fund )** investment objective is to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities, which are rated in the lower rating categories of the established rating services (BB or lower by Standard & Poor s Corporation ( S&P s ) or Ba or lower by Moody s Investors Service, Inc. ( Moody s )) or are unrated securities considered by BlackRock to be of comparable quality. As a secondary objective, the Fund also seeks to provide shareholders with capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets in high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and corporate loans which are below investment grade quality. 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 February 29, 2012, the Fund returned 20.39% based on market price and 7.15% based on net asset value ( NAV ). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium 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?**

The Fund s positive performance during the 12-month period was driven largely by security selection among higher-quality and non-rated credits. The Fund s exposure to Charter Communications, Inc. boosted returns, as did holdings of Delphi Automotive Plc stock received in connection with the company s reorganization in 2009. Overall, risk assets performed well over the period despite sharp volatility in the latter half of 2011.

Assets with higher duration (greater sensitivity to interest rate movements) benefited most from the drop in interest rates over the period. Accordingly, the high yield market underperformed US Treasuries, investment grade corporate bonds and emerging market debt securities. The Fund s performance was negatively impacted by security selection within the mid-tier credit quality range. On a sector basis, selection within automotive, independent energy and paper detracted. The Fund reduced its allocation to floating rate loan interests (bank loans) during the period as the asset class underperformed relative to high yield bonds and higher quality investments.

The Fund uses credit default swaps to express a particular view in an individual credit name and as a means of managing risk. It also utilizes credit default swaps on a basket of securities in order to put cash to work or quickly increase or decrease the portfolio s exposure to market movements. The Fund may also use stock futures and options to hedge the equity risk inherent within an individual position or group of positions. Stock futures are an efficient mechanism for reducing risk under certain market conditions. The Fund also uses forward contracts on foreign currencies to hedge the currency risk of non-dollar denominated bonds. During the period, the use of derivatives had an overall positive impact on Fund returns.

#### **Describe recent portfolio activity.**

During the 12-month period, the Fund s positioning grew more conservative as the outlook for global growth deteriorated. The Fund migrated toward more resilient, higher-quality issuers paying attractive yields while reducing exposure to lower-quality issuers and higher-beta securities (those with greater sensitivity to market movements) that are more vulnerable to the economic cycle.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the

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Fund started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Fund maintained its higher-quality, income-oriented bias throughout the period. The Fund continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits and the more cyclical sectors.

### **Describe portfolio positioning at period end.**

At period end, the Fund held 80% of its total portfolio in corporate bonds, 12% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred securities and other interests. The Fund's largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Fund ended the period with economic leverage at 21% 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.

**BlackRock Corporate High Yield Fund, Inc.****Fund Information**

Symbol on New York Stock Exchange ( NYSE )	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of February 29, 2012 (\$7.76) <sup>1</sup>	7.89%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.051
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.612
Economic Leverage as of February 29, 2012 <sup>3</sup>	21%

<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 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$7.76	\$7.03	10.38%	\$7.82	\$5.99
Net Asset Value	\$7.29	\$7.42	(1.75)%	\$7.56	\$6.45

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**

	2/29/12	2/28/11
Corporate Bonds	80%	85%
Floating Rate Loan Interests	12	7
Common Stocks	5	5
Preferred Securities	2	1
Other Interests	1	2

**Credit Quality Allocations<sup>4</sup>**

	2/29/12	2/28/11
A	1%	1%
BBB/Baa	6	4
BB/Ba	42	31
B	40	46
CCC/Caa	10	13
Not Rated	1	5

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





Fund Summary as of February 29, 2012

**BlackRock Corporate High Yield Fund III, Inc.**

### **Investment Objective**

**BlackRock Corporate High Yield Fund III, Inc. s (CYE) (the Fund )** primary investment objective is to provide current income by investing primarily in fixed-income securities, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P s or Baa or lower by Moody s) or are unrated securities of comparable quality. The Fund s secondary investment objective is to provide capital appreciation. 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 February 29, 2012, the Fund returned 18.62% based on market price and 7.11% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium 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?**

The Fund s positive performance during the 12-month period was driven largely by security selection among higher-quality credits. The Fund s exposure to Charter Communications, Inc. boosted returns, as did holdings of Delphi Automotive Plc stock received in connection with the company s reorganization in 2009. Overall, risk assets performed well over the period despite sharp volatility in the latter half of 2011.

Assets with higher duration (greater sensitivity to interest rate movements) benefited most from the drop in interest rates over the period. Accordingly, the high yield market underperformed US Treasuries, investment grade corporate bonds and emerging market debt securities. The Fund s performance was negatively impacted by security selection within the mid-tier credit quality range. On a sector basis, selection within automotive, independent energy and paper detracted. The Fund reduced its allocation to floating rate loan interests (bank loans) during the period as the asset class underperformed relative to high yield bonds and higher-quality investments.

The Fund uses credit default swaps to express a particular view in an individual credit name and as a means of managing risk. It also utilizes credit default swaps on a basket of securities in order to put cash to work or quickly increase or decrease the portfolio s exposure to market movements. The Fund may also use stock futures and options to hedge the equity risk inherent within an individual position or group of positions. Stock futures are an efficient mechanism for reducing risk under certain market conditions. The Fund also uses forward contracts on foreign currencies to hedge the currency risk of non-dollar denominated bonds. During the period, the use of derivatives had an overall positive impact on Fund returns.

#### **Describe recent portfolio activity.**

During the 12-month period, the Fund s positioning grew more conservative as the outlook for global growth deteriorated. The Fund migrated toward more resilient, higher-quality issuers paying attractive yields while reducing exposure to lower-quality issuers and higher-beta securities (those with greater sensitivity to market movements) that are more vulnerable to the economic cycle.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Fund maintained its higher-quality, income-oriented bias throughout the period. The Fund continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of

higher-beta credits and the more cyclical sectors.

**Describe portfolio positioning at period end.**

At period end, the Fund held 77% of its total portfolio in corporate bonds, 15% in floating rate loan interests (bank loans), with the remainder in common stocks and preferred securities. The Fund's largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Fund ended the period with economic leverage at 24% of its total managed assets.

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**BlackRock Corporate High Yield Fund III, Inc.****Fund Information**

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of February 29, 2012 (\$7.75) <sup>1</sup>	7.90%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.051
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.612
Economic Leverage as of February 29, 2012 <sup>3</sup>	24%

<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 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$7.75	\$7.14	8.54%	\$7.75	\$6.08
Net Asset Value	\$7.41	\$7.56	(1.98)%	\$7.70	\$6.54

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**

	2/29/12	2/28/11
Corporate Bonds	77%	80%
Floating Rate Loan Interests	15	11
Common Stocks	6	5
Preferred Securities	2	2
Other Interests		2

**Credit Quality Allocations<sup>4</sup>**

	2/29/12	2/28/11
A	1%	
BBB/Baa	7	4%
BB/Ba	38	31
B	43	46
CCC/Caa	10	14
Not Rated	1	5

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



Fund Summary as of February 29, 2012

**BlackRock Debt Strategies Fund, Inc.**

### **Investment Objective**

**BlackRock Debt Strategies Fund, Inc.'s (DSU) (the Fund)** primary investment objective is to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. The Fund's secondary objective is to provide capital appreciation. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. 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 February 29, 2012, the Fund returned 10.47% based on market price and 4.53% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% based on NAV. All returns reflect reinvestment of dividends. The Fund began the period with a discount to NAV, and ended the period with neither a discount nor a premium, 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?**

The Fund's positive performance during the 12-month period was driven largely by security selection among non-rated credits. On a sector basis, selection in non-cable media, chemicals and electric names boosted returns. The Fund's tactical exposure to convertible bonds had a positive impact on performance and the use of leverage was an additional contributor.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund's allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the paper and technology sectors pared the Fund's gains for the period.

#### **Describe recent portfolio activity.**

As the outlook for global growth deteriorated and the European debt crisis intensified during the period, the Fund shifted to a more conservative stance by reducing exposure to higher-beta securities (those with greater sensitivity to market movements) while implementing hedging strategies and increasing its allocation to cash.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund added some risk back into the portfolio. The Fund removed hedges and returned to a fully invested posture amid the liquidity-driven credit rally as global sentiment improved and tail risk for financial markets declined. Though the Fund shifted to a more risk-on stance, it continued to favor higher-quality issuers and sought those with stable cash flows and visible earnings, while generally remaining cautious of higher-beta credits with greater sensitivity to the economic cycle.

#### **Describe portfolio positioning at period end.**

At period end, the Fund held 54% of its total portfolio in floating rate loan interests (bank loans), 43% in corporate bonds, with the remainder in common stocks, asset-backed securities and other interests. The Fund's largest sector exposures included cable media, independent energy and chemicals. The Fund ended the period with economic leverage at 25% of its total managed assets.

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## BlackRock Debt Strategies Fund, Inc.

## Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of February 29, 2012 (\$4.13) <sup>1</sup>	7.85%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.027
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.324
Economic Leverage as of February 29, 2012 <sup>3</sup>	25%

<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 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$4.13	\$4.05	1.98%	\$4.43	\$3.45
Net Asset Value	\$4.13	\$4.28	(3.50)%	\$4.31	\$3.79

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

	2/29/12	2/28/11
Floating Rate Loan Interests	54%	53%
Corporate Bonds	43	43
Common Stocks	1	1
Asset-Backed Securities	1	2
Other Interests	1	1

Credit Quality Allocations<sup>4</sup>

	2/29/12	2/28/11
A	1%	
BBB/Baa	5	7%
BB/Ba	36	29
B	45	45
CCC/Caa	8	11
Not Rated	5	8

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





Fund Summary as of February 29, 2012

**BlackRock Floating Rate Income Strategies Fund II, Inc.**

### **Investment Objective**

**BlackRock Floating Rate Income Strategies Fund II, Inc. s (FRB) (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 February 29, 2012, the Fund returned (0.61)% based on market price and 3.41% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (1.41)% based on market price and 2.78% 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 performance during the 12-month period was driven largely by security selection among higher-quality loan instruments and non-rated credits. On a sector basis, selection in chemicals, electric and non-cable media helped performance. The Fund s tactical exposure to high yield bonds proved beneficial as the asset class outperformed bank loans over the 12-month period.

Bank Loans underperformed high yield and assets with higher duration (greater sensitivity to interest rate movements), hindering the Fund s performance for the period. Security selection among lower-quality bank loans also detracted from results. On a sector basis, selection within paper and technology pared the Fund s gains for the period.

#### **Describe recent portfolio activity.**

The period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given the weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. The Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. While the developments during the period bode well for the posture of risk markets going forward, the Fund continues to maintain a high quality bias.

#### **Describe portfolio positioning at period end.**

At period end, the Fund held 84% of its total portfolio in floating rate loan interests (bank loans), 13% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest sector exposures included wireless, non-captive diversified financials and chemicals. The Fund ended the period with economic leverage at 22% of its total managed assets.

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**BlackRock Floating Rate Income Strategies Fund II, Inc.****Fund Information**

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of February 29, 2012 (\$13.21) <sup>1</sup>	6.63%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.073
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.876
Economic Leverage as of February 29, 2012 <sup>3</sup>	22%

<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 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$13.21	\$14.22	(7.10)%	\$14.79	\$11.39
Net Asset Value	\$13.60	\$14.07	(3.34)%	\$14.12	\$12.66

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**

	2/29/12	2/28/11
Floating Rate Loan Interests	84%	81%
Corporate Bonds	13	15
Asset-Backed Securities	2	3
Common Stocks	1	
Other Interests		1

**Credit Quality Allocations<sup>4</sup>**

	2/29/12	2/28/11
BBB/Baa	10%	7%
BB/Ba	36	34
B	39	42
CCC/Caa	7	8
Not Rated	8	9

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



Fund Summary as of February 29, 2012

**BlackRock Senior High Income Fund, Inc.**

### **Investment Objective**

**BlackRock Senior High Income Fund, Inc.** s (ARK) (the **Fund** ) investment objective is to provide high current income by investing principally in senior debt obligations of companies, including corporate loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes. 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 February 29, 2012, the Fund returned 5.54% based on market price and 6.86% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 14.46% based on market price and 6.86% 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 s positive performance during the 12-month period was driven largely by security selection among non-rated credits. Selection among lower-rated credits had a modestly positive impact. On a sector basis, selection in chemicals, non-cable media and electric names boosted returns. The Fund s tactical exposure to convertible bonds proved beneficial and the use of leverage was an additional contributor.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund s allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the paper and technology sectors dampened results for the period.

#### **Describe recent portfolio activity.**

As the outlook for global growth deteriorated and the European debt crisis intensified during the period, the Fund shifted to more conservative stance by reducing exposure to higher-beta securities (those with greater sensitivity to market movements) while implementing hedging strategies and increasing its allocation to cash.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term solution for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Fund added some risk back into the portfolio. The Fund removed hedges and returned to a fully invested posture amid the liquidity-driven credit rally as global sentiment improved and tail risk for financial markets declined. Though the Fund shifted to a more risk-on stance, it continued to favor higher-quality issuers and sought those with stable cash flows and visible earnings, while generally remaining cautious of higher-beta credits with greater sensitivity to the economic cycle.

#### **Describe portfolio positioning at period end.**

At period end, the Fund held 56% of its total portfolio in floating rate loan interests (bank loans), 41% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest sector exposures included cable media, independent energy and chemicals. The Fund ended the period with economic leverage at 23% of its total managed assets.

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**BlackRock Senior High Income Fund, Inc.****Fund Information**

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of February 29, 2012 (\$4.06) <sup>1</sup>	7.39%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.025
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.300
Economic Leverage as of February 29, 2012 <sup>3</sup>	23%

<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 14.

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

	2/29/12	2/28/11	Change	High	Low
Market Price	\$4.06	\$4.18	(2.87)%	\$4.31	\$3.42
Net Asset Value	\$4.15	\$4.22	(1.66)%	\$4.27	\$3.86

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**

	2/29/12	2/28/11
Floating Rate Loan Interests	56%	53%
Corporate Bonds	41	43
Asset-Backed Securities	2	2
Common Stocks	1	1
Other Interests		1

**Credit Quality Allocations<sup>4</sup>**

	2/29/12	2/28/11
A	1%	
BBB/Baa	6	9%
BB/Ba	39	31
B	48	49
CCC/Caa	3	3
Not Rated	3	8

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





### The Benefits and Risks of Leveraging

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

The Funds may utilize leverage by borrowing through a credit facility. 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 interest expense on the \$30 million of debt securities 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 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' NAVs 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 Fund's 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, as amended (the 1940 Act ), the Funds are permitted to issue senior securities representing indebtedness up to 33<sup>1</sup>/<sub>3</sub>% of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of February 29, 2012, the Funds had aggregate economic leverage from borrowings through a credit facility as a percentage of their total managed assets as follows:

	<b>Percent of Economic Leverage</b>
COY	21%
CYE	24%
DSU	25%
FRB	22%

### 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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Consolidated Schedule of Investments February 29, 2012

**BlackRock Corporate High Yield Fund, Inc. (COY)**  
(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
<b>Auto Components 3.2%</b>		
Dana Holding Corp. (a)	59,640	\$ 954,241
Delphi Automotive Plc (a)	11,906	381,005
Delphi Automotive Plc (180-day lock) (acquired 11/17/11, cost \$2,338,924) (a)(b)	220,982	6,894,626
		8,229,872
<b>Capital Markets 0.3%</b>		
E*Trade Financial Corp. (a)	68,100	655,803
<b>Commercial Banks 0.3%</b>		
CIT Group, Inc. (a)	15,510	631,412
<b>Communications Equipment 0.3%</b>		
Loral Space & Communications Ltd. (a)	11,463	816,624
<b>Containers &amp; Packaging 0.0%</b>		
Smurfit Kappa Plc (a)	3,634	36,895
<b>Diversified Financial Services 0.6%</b>		
Kcad Holdings I Ltd.	178,231	1,631,702
<b>Diversified Telecommunication Services 0.1%</b>		
Level 3 Communications, Inc. (a)	14,120	343,257
<b>Electrical Equipment 0.0%</b>		
Medis Technologies Ltd. (a)	67,974	340
<b>Energy Equipment &amp; Services 1.0%</b>		
Laricina Energy Ltd. (a)	35,294	1,515,988
Osum Oil Sands Corp. (a)	74,000	934,863
Transocean Ltd.	5,000	266,700
		2,717,551
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Travelport Worldwide Ltd.	70,685	35,343
<b>Media 1.7%</b>		
Belo Corp., Class A	43,324	310,633
Charter Communications, Inc. (a)	59,916	3,799,273
Clear Channel Outdoor Holdings, Inc., Class A (a)	8,934	118,197
		4,228,103
<b>Metals &amp; Mining 0.2%</b>		
African Minerals Ltd. (a)	40,400	369,340
<b>Paper &amp; Forest Products 0.1%</b>		
Ainsworth Lumber Co. Ltd.	41,686	65,723
Ainsworth Lumber Co. Ltd. (c)	36,744	57,932
Western Forest Products, Inc. (a)	147,968	143,564
Western Forest Products, Inc. (a)(c)	41,528	40,292
		307,511
<b>Professional Services 0.0%</b>		
Pendrell Corp. (a)	3,200	7,744
<b>Road &amp; Rail 0.2%</b>		
Dollar Thrifty Automotive Group, Inc. (a)	5,500	417,505
<b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>		
Spanion, Inc., Class A (a)	60,342	772,378
SunPower Corp. (a)	123	926
		773,304

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Common Stocks	Shares	Value
<b>Software 0.0%</b>		
Bankruptcy Management Solutions, Inc. (a)	468	\$ 9
HMH Holdings/EduMedia (a)	82,415	20,604
		20,613
<b>Total Common Stocks 8.3%</b>		21,222,919

Corporate Bonds	Par (000)	
<b>Aerospace &amp; Defense 0.5%</b>		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 210	221,025
7.13%, 3/15/21	295	316,019
Kratos Defense & Security Solutions, Inc.,		
10.00%, 6/01/17	716	771,490
		1,308,534
<b>Air Freight &amp; Logistics 0.5%</b>		
National Air Cargo Group, Inc.:		
Series 1, 12.38%, 9/02/15	593	618,153
Series 2, 12.38%, 8/16/15	599	624,794
		1,242,947
<b>Airlines 2.2%</b>		
American Airlines Pass-Through Trust, Series 2011-2,		
Class A, 8.63%, 4/15/23	1,038	1,100,280
Continental Airlines, Inc.:		
6.75%, 9/15/15 (c)	540	545,400
6.90%, 7/02/18	268	267,116
Series 2010-1, Class B, 6.00%, 7/12/20	384	372,290
Delta Air Lines, Inc.:		
Series 2009-1-B, 9.75%, 6/17/18	180	190,654
Series 2010-1-B, 6.38%, 7/02/17	447	417,945
United Air Lines, Inc., 12.75%, 7/15/12	1,964	2,032,906
US Airways Pass-Through Trust, Series 2011-1,		
Class C, 10.88%, 10/22/14	630	630,000
		5,556,591
<b>Auto Components 1.8%</b>		
Allison Transmission, Inc., 11.00%, 11/01/15 (c)	68	71,825
Baker Corp. International, Inc., 8.25%, 6/01/19 (c)	190	193,800
Dana Holding Corp., 6.75%, 2/15/21	410	443,825
Delphi Corp., 6.13%, 5/15/21 (c)	150	160,875
Icahn Enterprises LP, 8.00%, 1/15/18	2,995	3,174,700
International Automotive Components Group, SL,		
9.13%, 6/01/18 (c)	40	35,600
Titan International, Inc., 7.88%, 10/01/17	430	456,875
		4,537,500
<b>Beverages 0.4%</b>		
Cott Beverages, Inc., 8.13%, 9/01/18	245	270,112
Crown European Holdings SA:		
7.13%, 8/15/18 (c)	EUR 277	395,342
7.13%, 8/15/18	221	315,417
		980,871

**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:

<b>CAD</b>	Canadian Dollar
<b>ETF</b>	Exchange-Traded Fund

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<b>DIP</b>	Debtor-In-Possession
<b>EUR</b>	Euro
<b>FKA</b>	Formerly Known As
<b>GBP</b>	British Pound
<b>SPDR</b>	Standard and Poor's Depository Receipts
<b>USD</b>	US Dollar

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Biotechnology 0.1%</b>		
QHP Pharma, 10.25%, 3/15/15 (c)	USD 218	\$ 219,339
<b>Building Products 0.7%</b>		
Building Materials Corp. of America (c):		
7.00%, 2/15/20	410	444,850
6.75%, 5/01/21	930	1,011,375
Momentive Performance Materials, Inc.,		
11.50%, 12/01/16	435	365,400
		1,821,625
<b>Capital Markets 1.0%</b>		
American Capital Ltd., 7.96%, 12/31/13 (d)	650	662,051
E*Trade Financial Corp.:		
12.50%, 11/30/17 (e)	980	1,141,700
3.43%, 8/31/19 (c)(f)(g)	226	213,853
KKR Group Finance Co., 6.38%, 9/29/20 (c)	600	638,530
		2,656,134
<b>Chemicals 4.0%</b>		
American Pacific Corp., 9.00%, 2/01/15	800	780,000
Ashland, Inc., 9.13%, 6/01/17	395	443,388
Basell Finance Co. BV, 8.10%, 3/15/27 (c)	455	520,975
Celanese US Holdings LLC, 5.88%, 6/15/21	1,640	1,787,600
Chemtura Corp., 7.88%, 9/01/18	345	370,875
Hexion U.S. Finance Corp., 9.00%, 11/15/20	285	279,300
Huntsman International LLC, 8.63%, 3/15/21	155	175,150
Ineos Finance Plc, 8.38%, 2/15/19 (c)	430	456,875
Kinove German Bondco GmbH, 10.00%, 6/15/18	EUR 350	479,128
Kraton Polymers LLC, 6.75%, 3/01/19	USD 115	117,300
Lyondell Chemical Co., 11.00%, 5/01/18	2,516	2,758,076
LyondellBasell Industries NV, 6.00%, 11/15/21 (c)	145	159,138
Nexeo Solutions LLC, 8.38%, 3/01/18 (c)	170	170,000
OXEA Finance/Cy SCA, 9.63%, 7/15/17 (c)	EUR 366	523,835
PolyOne Corp., 7.38%, 9/15/20	USD 200	215,500
Solutia, Inc., 7.88%, 3/15/20	565	662,462
TPC Group LLC, 8.25%, 10/01/17	310	327,050
		10,226,652
<b>Commercial Banks 2.4%</b>		
CIT Group, Inc.:		
7.00%, 5/02/16 (c)	2,245	2,247,806
7.00%, 5/01/17	955	955,000
7.00%, 5/02/17 (c)	2,395	2,397,994
5.50%, 2/15/19 (c)	550	561,687
		6,162,487
<b>Commercial Services &amp; Supplies 1.9%</b>		
ACCO Brands Corp., 10.63%, 3/15/15	305	336,647
Aviation Capital Group Corp., 6.75%, 4/06/21 (c)	500	495,620
Brickman Group Holdings, Inc., 9.13%,		
11/01/18 (c)	24	22,800
Casella Waste Systems, Inc., 7.75%, 2/15/19	610	606,950
Clean Harbors, Inc., 7.63%, 8/15/16	320	339,200
Iron Mountain, Inc., 7.75%, 10/01/19	380	419,900
Mobile Mini, Inc., 7.88%, 12/01/20	335	351,750

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RSC Equipment Rental, Inc.:			
10.00%, 7/15/17 (c)		555	643,800
8.25%, 2/01/21		800	848,000
Verisure Holding AB:			
8.75%, 9/01/18	EUR	169	227,410
8.75%, 12/01/18		100	118,575
WCA Waste Corp., 7.50%, 6/15/19 (c)	USD	310	313,875
West Corp., 8.63%, 10/01/18		125	137,187
			4,861,714

Corporate Bonds		Par (000)	Value
<b>Communications Equipment 0.7%</b>			
Avaya, Inc., 9.75%, 11/01/15	USD	650	\$ 650,000
Frontier Communications Corp., 6.25%, 1/15/13		830	856,975
Hughes Satellite Systems Corp., 6.50%, 6/15/19		340	360,400
			1,867,375
<b>Computers &amp; Peripherals 0.1%</b>			
SanDisk Corp., 1.50%, 8/15/17 (g)		200	239,500
<b>Construction &amp; Engineering 0.1%</b>			
Abengoa SA, 8.50%, 3/31/16	EUR	100	136,587
Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (c)	USD	175	184,188
			320,775
<b>Construction Materials 0.2%</b>			
Xefin Lux SCA:			
8.00%, 6/01/18	EUR	100	133,896
8.00%, 6/01/18 (c)		233	311,978
			445,874
<b>Consumer Finance 1.5%</b>			
Credit Acceptance Corp., 9.13%, 2/01/17	USD	435	463,275
Ford Motor Credit Co. LLC:			
7.80%, 6/01/12		200	202,465
7.00%, 4/15/15		1,890	2,097,900
12.00%, 5/15/15		670	842,487
6.63%, 8/15/17		131	148,445
			3,754,572
<b>Containers &amp; Packaging 1.3%</b>			
Ardagh Packaging Finance Plc (c):			
7.38%, 10/15/17		205	220,375
7.38%, 10/15/17	EUR	335	470,868
9.13%, 10/15/20	USD	365	376,862
Berry Plastics Corp.:			
4.42%, 9/15/14 (h)		275	263,312
8.25%, 11/15/15		110	118,250
9.75%, 1/15/21		330	353,100
GCL Holdings SCA, 9.38%, 4/15/18 (c)	EUR	244	290,135
Graphic Packaging International, Inc., 7.88%, 10/01/18	USD	340	374,000
OI European Group BV, 6.88%, 3/31/17	EUR	152	210,610
Sealed Air Corp., 8.38%, 9/15/21	USD	235	269,075
Smurfit Kappa Acquisitions, 7.75%, 11/15/19 (c)	EUR	296	424,924
			3,371,511
<b>Diversified Consumer Services 1.5%</b>			
Service Corp. International, 7.00%, 6/15/17	USD	2,800	3,136,000
ServiceMaster Co., 8.00%, 2/15/20 (c)		605	638,275
			3,774,275
<b>Diversified Financial Services 4.9%</b>			
Ally Financial, Inc.:			
7.50%, 12/31/13		350	372,750
8.30%, 2/12/15		530	585,650



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6.25%, 12/01/17		480	496,137
7.50%, 9/15/20		620	682,775
8.00%, 11/01/31		1,075	1,199,969
8.00%, 11/01/31		560	607,631
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		340	362,525
Boparan Holdings Ltd. (c):			
9.75%, 4/30/18	EUR	100	131,098
9.88%, 4/30/18	GBP	130	203,715
DPL, Inc., 7.25%, 10/15/21 (c)	USD	725	826,500
FCE Bank Plc, 4.75%, 1/19/15	EUR	838	1,144,367

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Diversified Financial Services (concluded)</b>			
General Motors Financial Co., Inc., 6.75%, 6/01/18 (c)	USD	270	\$ 291,373
Leucadia National Corp., 8.13%, 9/15/15		790	878,875
Reynolds Group Issuer, Inc.:			
8.75%, 10/15/16 (c)		425	452,625
8.75%, 10/15/16 (c)(k)	EUR	290	410,515
8.75%, 10/15/16		503	712,031
7.13%, 4/15/19 (c)	USD	230	243,225
7.88%, 8/15/19 (c)		1,010	1,105,950
9.88%, 8/15/19 (c)		1,030	1,064,762
WMG Acquisition Corp. (c):			
9.50%, 6/15/16		110	121,550
11.50%, 10/01/18		535	568,437
			12,462,460
<b>Diversified Telecommunication Services 3.8%</b>			
Broadview Networks Holdings, Inc., 11.38%, 9/01/12		1,000	897,500
GCI, Inc., 6.75%, 6/01/21		264	267,300
ITC Deltacom, Inc., 10.50%, 4/01/16		260	271,050
Level 3 Financing, Inc. (c):			
8.13%, 7/01/19		2,144	2,245,840
8.63%, 7/15/20		980	1,046,150
Qwest Communications International, Inc.:			
7.50%, 2/15/14		1,200	1,204,200
8.00%, 10/01/15		610	654,797
Series B, 7.50%, 2/15/14		1,575	1,580,513
Qwest Corp., 7.63%, 6/15/15		500	568,794
Videotron Ltee, 5.00%, 7/15/22 (c)(i)		130	130,325
Windstream Corp.:			
8.13%, 8/01/13		400	429,000
7.88%, 11/01/17		360	405,900
			9,701,369
<b>Electric Utilities 0.8%</b>			
The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14	EUR	1,600	1,992,054
<b>Electronic Equipment, Instruments &amp; Components 0.2%</b>			
Elster Finance BV, 6.25%, 4/15/18 (c)	USD	105	141,850
Jabil Circuit, Inc., 8.25%, 3/15/18		215	255,850
NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (c)		190	214,937
			612,637
<b>Energy Equipment &amp; Services 3.2%</b>			
Antero Resources Finance Corp., 7.25%, 8/01/19 (c)		150	158,250
Atwood Oceanics, Inc., 6.50%, 2/01/20		130	136,825
Calfrac Holdings LP, 7.50%, 12/01/20 (c)		360	360,000
Compagnie Générale de Géophysique Veritas, 7.75%, 5/15/17		235	244,694
Forbes Energy Services Ltd., 9.00%, 6/15/19		335	329,975
Frac Tech Services LLC, 7.63%, 11/15/18 (c)		1,615	1,724,012
Key Energy Services, Inc., 6.75%, 3/01/21		415	434,713

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MEG Energy Corp., 6.50%, 3/15/21 (c)	900	963,000
Oil States International, Inc., 6.50%, 6/01/19	290	311,750
Peabody Energy Corp., 6.25%, 11/15/21 (c)	2,410	2,524,475
Transocean, Inc., 6.38%, 12/15/21	695	820,204
		8,007,898
<b>Food Products 0.2%</b>		
Darling International, Inc., 8.50%, 12/15/18	220	247,500
Post Holdings, Inc., 7.38%, 2/15/22 (c)	210	223,650
		471,150

Corporate Bonds	Par (000)	Value
<b>Health Care Equipment &amp; Supplies 2.2%</b>		
Biomet, Inc.:		
10.00%, 10/15/17	USD 180	\$ 195,525
10.38%, 10/15/17 (e)	1,335	1,453,481
DJO Finance LLC (FKA Johnson Diversey, Inc):		
10.88%, 11/15/14	2,130	2,167,275
7.75%, 4/15/18	95	81,700
Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (c)	192	212,640
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (c)	600	633,000
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)	500	577,500
Teleflex, Inc., 6.88%, 6/01/19	270	290,925
		5,612,046

<b>Health Care Providers &amp; Services 5.4%</b>		
Aviv Healthcare Properties LP, 7.75%, 2/15/19	380	388,550
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)	EUR 400	552,904
Crown Newco 3 Plc, 7.00%, 2/15/18 (c)	GBP 331	519,347
HCA, Inc.:		
8.50%, 4/15/19	USD 120	134,400
6.50%, 2/15/20	1,830	1,962,675
7.88%, 2/15/20	85	93,713
7.25%, 9/15/20	2,405	2,621,450
5.88%, 3/15/22	250	256,250
Health Management Associates, Inc., 7.38%, 1/15/20 (c)	860	896,550
IASIS Healthcare LLC, 8.38%, 5/15/19 (c)	695	663,725
INC Research LLC, 11.50%, 7/15/19 (c)	375	360,000
inVentiv Health, Inc. (FKA Ventive Health, Inc.), 10.00%, 8/15/18 (c)	115	104,650
Omnicare, Inc., 7.75%, 6/01/20	905	1,007,944
PSS World Medical, Inc., 6.38%, 3/01/22 (c)	265	275,600
Symbion, Inc., 8.00%, 6/15/16 (c)	315	303,975
Tenet Healthcare Corp.:		
10.00%, 5/01/18	752	876,080
6.25%, 11/01/18 (c)	300	319,875
8.88%, 7/01/19	2,010	2,291,400
		13,629,088

<b>Health Care Technology 1.0%</b>		
IMS Health, Inc., 12.50%, 3/01/18 (c)	2,235	2,659,650
<b>Hotels, Restaurants &amp; Leisure 2.7%</b>		
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	275	301,125
10.00%, 12/15/18	1,345	1,039,012
Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (c)	655	668,100
Diamond Resorts Corp., 12.00%, 8/15/18	1,100	1,160,500
El Dorado Resorts LLC, 8.63%, 6/15/19 (c)	125	119,063
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 296	381,434

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Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (c)	USD	270	237,600
MGM Resorts International:			
13.00%, 11/15/13		90	105,075
10.38%, 5/15/14		235	267,313
4.25%, 4/15/15 (g)		495	530,887
11.13%, 11/15/17		1,315	1,495,812
Travelport LLC (FKA Travelport, Inc):			
5.11%, 9/01/14 (h)		165	84,563
9.88%, 9/01/14		35	20,038
9.00%, 3/01/16		110	58,300
6.58%, 12/01/16 (c)(e)		373	262,728
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(j)		315	
			6,731,550

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Household Durables 1.6%</b>			
Beazer Homes USA, Inc., 12.00%, 10/15/17	USD	1,425	\$ 1,553,250
Jarden Corp., 7.50%, 1/15/20	EUR	285	383,502
Ryland Group, Inc., 6.63%, 5/01/20	USD	315	321,300
Standard Pacific Corp.:			
10.75%, 9/15/16		1,285	1,476,144
8.38%, 1/15/21		265	281,563
			4,015,759
<b>Household Products 0.2%</b>			
Ontex IV SA, 7.50%, 4/15/18 (c)	EUR	130	159,343
Spectrum Brands Holdings, Inc., 9.50%, 6/15/18	USD	330	376,200
			535,543
<b>Independent Power Producers &amp; Energy Traders 3.0%</b>			
AES Corp., 7.38%, 7/01/21		600	684,000
Calpine Corp. (c):			
7.25%, 10/15/17		165	174,900
7.50%, 2/15/21		95	103,075
7.88%, 1/15/23		260	283,400
Energy Future Holdings Corp., 10.00%, 1/15/20		2,920	3,157,250
Energy Future Intermediate Holding Co. LLC:			
10.00%, 12/01/20		881	956,986
11.75%, 3/01/22 (c)		1,310	1,342,750
Laredo Petroleum, Inc., 9.50%, 2/15/19		470	518,175
QEP Resources, Inc., 5.38%, 10/01/22		305	308,050
			7,528,586
<b>Industrial Conglomerates 2.5%</b>			
Sequa Corp. (c):			
11.75%, 12/01/15		2,190	2,326,875
13.50%, 12/01/15		3,759	4,012,468
			6,339,343
<b>Insurance 1.0%</b>			
Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)		1,600	1,682,000
CNO Financial Group, Inc., 9.00%, 1/15/18 (c)		339	364,849
Genworth Financial, Inc., 7.63%, 9/24/21		390	404,634
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)		235	209,738
			2,661,221
<b>IT Services 1.7%</b>			
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)		510	527,850
First Data Corp.:			
7.38%, 6/15/19 (c)		180	182,025
8.88%, 8/15/20 (c)		495	535,837
8.25%, 1/15/21 (c)		610	590,175
12.63%, 1/15/21		1,368	1,436,400
SunGard Data Systems, Inc.:			
7.38%, 11/15/18		400	430,000
7.63%, 11/15/20		550	594,000
			4,296,287
<b>Machinery 0.8%</b>			
Navistar International Corp.:			
3.00%, 10/15/14 (g)		301	339,001

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8.25%, 11/01/21	126	137,813
SPX Corp., 6.88%, 9/01/17	160	177,600
UR Financing Escrow Corp. (c)(i):		
5.75%, 7/15/18	236	242,490
7.38%, 5/15/20	320	328,400
7.63%, 4/15/22	820	848,700
		2,074,004

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Media 14.0%</b>		
Affinion Group, Inc., 7.88%, 12/15/18	USD 745	\$ 666,775
AMC Networks, Inc., 7.75%, 7/15/21 (c)	205	228,575
CCH II LLC, 13.50%, 11/30/16	2,982	3,429,719
CCO Holdings LLC:		
7.88%, 4/30/18	100	109,250
7.38%, 6/01/20	240	264,000
6.50%, 4/30/21	411	436,687
Checkout Holding Corp., 10.68%, 11/15/15 (c)(f)	615	276,750
Cinemark USA, Inc., 8.63%, 6/15/19	200	222,500
Clear Channel Communications, Inc., 9.00%, 3/01/21	505	464,600
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	1,379	1,510,005
7.63%, 3/15/20 (c)(i)	960	960,000
Series B, 9.25%, 12/15/17	5,280	5,808,000
Cox Enterprises, Inc. (c):		
Loan Close 2, 12.00%, 8/15/18	642	651,751
Loan Close 3, 12.00%, 8/15/18	734	745,139
Shares Loan, 12.00%, 8/15/18	757	768,500
CSC Holdings LLC, 8.50%, 4/15/14	370	410,700
DISH DBS Corp., 7.00%, 10/01/13	90	96,638
Gray Television, Inc., 10.50%, 6/29/15	900	950,625
Harland Clarke Holdings Corp.:		
6.00%, 5/15/15 (c)	330	225,225
9.50%, 5/15/15	290	228,375
Intelsat Luxembourg SA:		
11.25%, 6/15/16	1,400	1,480,500
11.25%, 2/04/17	330	340,313
11.50%, 2/04/17 (e)	1,220	1,256,600
Interactive Data Corp., 10.25%, 8/01/18	1,235	1,392,462
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	315	360,675
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (c)	EUR 613	873,869
Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (c)	315	442,794
Lamar Media Corp., 5.88%, 2/01/22 (c)	USD 185	193,094
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)	675	718,031
Musketeer GmbH, 9.50%, 3/15/21 (c)	EUR 385	553,970
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (c)	USD 570	627,000
Nielsen Finance LLC:		
11.63%, 2/01/14	45	52,313
7.75%, 10/15/18	2,085	2,319,562
Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)	GBP 189	296,922
ProQuest LLC, 9.00%, 10/15/18 (c)	USD 460	407,100
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(g)(j)	812	406
Unitymedia GmbH:		
9.63%, 12/01/19	EUR 158	227,344

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9.63%, 12/01/19 (c)		530	762,608
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH) (c):			
8.13%, 12/01/17	USD	540	585,900
8.13%, 12/01/17	EUR	407	582,914
UPC Holding BV, 9.88%, 4/15/18 (c)	USD	400	444,000
UPCB Finance II Ltd. (c):			
6.38%, 7/01/20	EUR	753	998,205
6.38%, 7/01/20		300	397,691
Virgin Media Secured Finance Plc, 7.00%, 1/15/18	GBP	279	479,370
Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)	EUR	343	483,255
Ziggo Finance BV, 6.13%, 11/15/17 (c)		672	928,879
			35,659,591

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Metals &amp; Mining 3.1%</b>		
Goldcorp, Inc., 2.00%, 8/01/14 (g)	USD 970	\$ 1,229,475
New World Resources NV, 7.88%, 5/01/18	EUR 627	847,882
Newmont Mining Corp., Series A, 1.25%, 7/15/14 (g)	USD 1,345	1,856,100
Novelis, Inc., 8.75%, 12/15/20 (c)	3,045	3,395,175
Taseko Mines Ltd., 7.75%, 4/15/19	385	369,600
Vedanta Resources Plc, 8.25%, 6/07/21 (c)	245	226,013
		7,924,245
<b>Multiline Retail 1.7%</b>		
Dollar General Corp., 11.88%, 7/15/17 (h)	4,007	4,397,723
<b>Oil, Gas &amp; Consumable Fuels 10.7%</b>		
Alpha Natural Resources, Inc., 6.25%, 6/01/21	365	354,050
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)	405	417,150
Berry Petroleum Co., 8.25%, 11/01/16	470	489,975
Bill Barrett Corp., 9.88%, 7/15/16	20	22,100
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)	235	246,163
Carrizo Oil & Gas, Inc., 8.63%, 10/15/18	120	124,800
Chesapeake Midstream Partners LP, 6.13%, 7/15/22	250	258,750
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (c)	50	51,000
Coffeyville Resources LLC, 9.00%, 4/01/15 (c)	243	260,010
Concho Resources, Inc., 7.00%, 1/15/21	375	421,875
Consol Energy, Inc., 8.25%, 4/01/20	1,800	1,962,000
Continental Resources, Inc., 7.13%, 4/01/21	340	377,400
Copano Energy LLC, 7.13%, 4/01/21	305	323,300
Crosstex Energy LP, 8.88%, 2/15/18	165	179,025
Crown Oil Partners IV LP, 15.00%, 3/07/15	535	534,697
Denbury Resources, Inc.:		
8.25%, 2/15/20	597	680,580
6.38%, 8/15/21	320	352,800
Energy XXI Gulf Coast, Inc.:		
9.25%, 12/15/17	510	564,825
7.75%, 6/15/19	815	859,825
EV Energy Partners LP, 8.00%, 4/15/19	140	147,000
Hilcorp Energy I LP, 7.63%, 4/15/21 (c)	690	752,100
Holly Energy Partners LP, 6.50%, 3/01/20 (c)(i)	145	148,081
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)	300	321,000
Linn Energy LLC:		
6.50%, 5/15/19 (c)	90	91,800
6.25%, 11/01/19 (c)	1,665	1,662,919
8.63%, 4/15/20	205	227,550
7.75%, 2/01/21	185	198,875
MarkWest Energy Partners LP, 6.75%, 11/01/20	120	131,100
Newfield Exploration Co., 6.88%, 2/01/20	865	934,200
Niska Gas Storage US LLC, 8.88%, 3/15/18	525	504,000
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	300	318,000
6.50%, 11/01/21	270	278,100
	4,410	4,597,425



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OGX Petroleo e Gas Participações SA, 8.50%, 6/01/18 (c)		
PBF Holding Co. LLC, 8.25%, 2/15/20 (c)	315	315,000
PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)	800	850,000
Petrohawk Energy Corp.:		
10.50%, 8/01/14	350	388,937
7.88%, 6/01/15	450	475,312
7.25%, 8/15/18	290	331,688
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)	530	556,500
Pioneer Natural Resources Co.:		
6.88%, 5/01/18	425	499,236
7.50%, 1/15/20	135	166,829

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (concluded)</b>		
Plains Exploration & Production Co.:		
6.63%, 5/01/21	USD 735	\$ 793,800
6.75%, 2/01/22	475	520,125
Precision Drilling Corp., 6.50%, 12/15/21 (c)	275	293,563
Range Resources Corp.:		
8.00%, 5/15/19	345	384,675
5.75%, 6/01/21	900	963,000
5.00%, 8/15/22 (i)	403	407,030
Ruby Pipeline LLC, 6.00%, 4/01/22 (c)	360	359,278
Samson Investment Co., 9.75%, 2/15/20 (c)	605	636,762
SandRidge Energy, Inc., 7.50%, 3/15/21	410	414,100
SM Energy Co., 6.63%, 2/15/19	120	128,700
		27,277,010
<b>Paper &amp; Forest Products 2.3%</b>		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(e)	363	264,678
Boise Paper Holdings LLC:		
9.00%, 11/01/17	400	440,000
8.00%, 4/01/20	140	153,650
Clearwater Paper Corp.:		
10.63%, 6/15/16	370	420,413
7.13%, 11/01/18	535	569,775
Georgia-Pacific LLC, 8.25%, 5/01/16 (c)	1,525	1,689,436
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (c)	315	323,663
NewPage Corp., 11.38%, 12/31/14 (a)(j)	1,935	1,165,837
Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)	120	112,500
Verso Paper Holdings LLC, 11.50%, 7/01/14	707	721,140
		5,861,092
<b>Pharmaceuticals 0.7%</b>		
Capsugel Finance Co. SCA:		
9.88%, 8/01/19	EUR 100	143,222
9.88%, 8/01/19 (c)	200	286,444
Jaguar Holding Co. II, 9.50%, 12/01/19 (c)	USD 390	426,563
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (c)	780	795,600
		1,651,829
<b>Professional Services 0.4%</b>		
FTI Consulting, Inc., 6.75%, 10/01/20	850	919,062
<b>Real Estate Investment Trusts (REITs) 0.7%</b>		
Felcor Lodging LP, 6.75%, 6/01/19	1,285	1,313,912
The Rouse Co. LP, 6.75%, 11/09/15	480	502,200
		1,816,112
<b>Real Estate Management &amp; Development 2.4%</b>		
CBRE Services, Inc., 6.63%, 10/15/20	310	329,375
Forest City Enterprises, Inc., 7.63%, 6/01/15	1,325	1,305,125

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<b>Realty Corp.:</b>		
11.50%, 4/15/17	360	329,400
12.00%, 4/15/17	90	82,800
7.88%, 2/15/19 (c)	2,185	2,119,450
7.63%, 1/15/20 (c)	465	480,112
9.00%, 1/15/20 (c)	335	336,675
Shea Homes LP, 8.63%, 5/15/19 (c)	1,145	1,156,450
		6,139,387
<b>Road &amp; Rail 1.6%</b>		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	115	119,888
Florida East Coast Railway Corp., 8.13%, 2/01/17	410	414,100
Hertz Holdings Netherlands BV:		
8.50%, 7/31/15	EUR 172	247,488
8.50%, 7/31/15 (c)	1,225	1,762,632

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Road &amp; Rail (concluded)</b>		
The Hertz Corp.:		
7.50%, 10/15/18	USD 595	\$ 641,856
6.75%, 4/15/19 (c)	100	104,750
6.75%, 4/15/19 (c)(i)	265	277,588
7.38%, 1/15/21 (c)	455	492,537
		4,060,839
<b>Semiconductors &amp; Semiconductor</b>		
<b>Equipment 0.2%</b>		
Spansion LLC, 7.88%, 11/15/17 (c)	540	530,550
<b>Software 0.2%</b>		
Sophia LP, 9.75%, 1/15/19 (c)	408	438,600
<b>Specialty Retail 2.5%</b>		
Asbury Automotive Group, Inc., 8.38%, 11/15/20	335	359,288
Hillman Group, Inc., 10.88%, 6/01/18	490	513,275
House of Fraser Funding Plc, 8.88%, 8/15/18 (c)	GBP 480	683,451
Limited Brands, Inc.:		
8.50%, 6/15/19	USD 745	890,275
5.63%, 2/15/22	150	154,500
Phones4u Finance Plc, 9.50%, 4/01/18 (c)	GBP 370	516,525
QVC, Inc. (c):		
7.13%, 4/15/17	USD 210	225,750
7.50%, 10/01/19	565	627,150
7.38%, 10/15/20	270	299,025
Sally Holdings LLC, 6.88%, 11/15/19 (c)	500	537,500
Sonic Automotive, Inc., 9.00%, 3/15/18	345	375,187
Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)	135	138,713
United Auto Group, Inc., 7.75%, 12/15/16	950	990,384
		6,311,023
<b>Transportation Infrastructure 0.2%</b>		
Aguila 3 SA, 7.88%, 1/31/18 (c)	398	418,397
<b>Wireless Telecommunication Services 5.2%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16	226	240,690
Digicel Group Ltd. (c):		
8.88%, 1/15/15	635	646,112
9.13%, 1/15/15	1,711	1,744,845
8.25%, 9/01/17	1,135	1,203,100
10.50%, 4/15/18	500	545,000
iPCS, Inc., 2.67%, 5/01/13 (h)	920	885,500
Matterhorn Mobile Holdings SA, 8.25%, 2/15/20	EUR 300	411,681
MetroPCS Wireless, Inc., 6.63%, 11/15/20	USD 990	1,019,700
NII Capital Corp., 7.63%, 4/01/21	614	627,815
Sprint Capital Corp., 6.88%, 11/15/28	2,230	1,739,400
Sprint Nextel Corp. (c):		
9.00%, 11/15/18	1,950	2,174,250
7.00%, 3/01/20	1,850	1,880,062
		13,118,155
<b>Total Corporate Bonds 102.0%</b>		<b>259,202,536</b>

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**Floating Rate Loan Interests (h)**

<b>Airlines 0.2%</b>			
Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17	522		509,292
<b>Auto Components 0.2%</b>			
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	450		451,314
<b>Building Products 0.1%</b>			
Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17	318		323,155

	Par (000)		Value
<b>Floating Rate Loan Interests (h)</b>			
<b>Capital Markets 0.4%</b>			
Nuveen Investments, Inc.:			
7.25%, 5/13/17	USD 600	\$	604,200
8.25%, 2/28/19	380		383,325
			987,525

<b>Chemicals 0.1%</b>			
PQ Corp., Term Loan B (First Lien), 3.50%, 7/30/14 (FKA Niagara Acquisition, Inc)	313		305,139

<b>Communications Equipment 0.1%</b>			
Avaya, Inc., Term Loan B1, 3.24%, 10/24/14	180		176,125

<b>Construction &amp; Engineering 0.7%</b>			
Safeway Services LLC, Mezzanine Loan, 15.63%, 12/16/17	1,750		1,750,000

<b>Consumer Finance 1.4%</b>			
Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	3,940		3,591,743

<b>Diversified Consumer Services 0.0%</b>			
ServiceMaster Co.:			
Delayed Draw Term Loan, 2.75% 2.99%, 7/24/14	8		7,566
Term Loan, 2.80%, 7/24/14	77		75,974
			83,540

<b>Diversified Telecommunication Services 0.2%</b>			
Level 3 Financing, Inc., Incremental Tranche A Term Loan, 2.49% 2.83%, 3/13/14	475		467,162

<b>Electronic Equipment, Instruments &amp; Components 0.1%</b>			
CDW LLC (FKA CDW Corp.):			
Non-Extended Term Loan, 3.74%, 10/10/14	97		96,793
Extended Term Loan, 4.00%, 7/14/17	255		249,217
			346,010

<b>Energy Equipment &amp; Services 1.0%</b>			
CCS Corp., Incremental Term Loan, 6.50%, 10/17/14	250		250,250
Dynegy Holdings, Inc.:			
Coal Co. Term Loan, 9.25%, 8/04/16	1,332		1,324,178
Gas Co. Term Loan, 9.25%, 8/04/16	968		998,054
			2,572,482

<b>Food &amp; Staples Retailing 0.1%</b>			
U.S. Foodservice, Inc., Term Loan B, 2.74%, 7/03/14	155		149,575

<b>Food Products 0.1%</b>			
Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17	200		200,166

<b>Health Care Providers &amp; Services 0.6%</b>			
Harden Healthcare LLC:			
Term Loan A, 8.50%, 3/02/15	361		353,458
	412		403,490

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Tranche A Additional Term Loan, 7.75%, 3/02/15		
inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16	795	764,413
		1,521,361
<b>Hotels, Restaurants &amp; Leisure 1.3%</b>		
Caesars Entertainment Operating Co., Inc.:		
Incremental Term Loan B4, 9.50%, 10/31/16	450	462,888
Term Loan B1, 3.24%, 1/28/15	740	693,809
Term Loan B2, 3.24%, 1/28/15	284	266,259
Term Loan B3, 3.24% 3.47%, 1/28/15	900	842,846
OSI Restaurant Partners LLC:		
Revolver, 2.56% 2.79%, 6/14/13	9	8,319
Term Loan B, 2.56%, 6/14/14	86	84,383
Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16	950	856,586

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Floating Rate Loan Interests (h)</b>		
<b>Hotels, Restaurants &amp; Leisure (concluded)</b>		
Travelport LLC (FKA Travelport, Inc.):		
Extended Tranche A Term Loan, 6.54%, 9/28/12	USD 172	\$ 81,479
Extended Tranche B Term Loan, 14.04%, 12/01/16	533	119,916
		3,416,485
<b>Independent Power Producers &amp; Energy Traders 0.1%</b>		
Texas Competitive Electric Holdings Co. LLC (TXU), Extended Term Loan, 4.74%, 10/10/17		
	686	382,898
<b>Industrial Conglomerates 0.2%</b>		
Sequa Corp., Incremental Term Loan, 6.25%, 12/03/14		
	405	406,349
<b>IT Services 0.3%</b>		
First Data Corp., Extended Term Loan B, 4.24%, 3/23/18		
	720	646,085
<b>Leisure Equipment &amp; Products 0.2%</b>		
Eastman Kodak Co., Term Loan B, 8.50%, 7/20/13		
	540	546,583
<b>Media 4.9%</b>		
Cengage Learning Acquisitions, Inc.:		
Term Loan, 2.49%, 7/03/14	295	273,760
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,447	1,400,456
Cequel Communications LLC, Term Loan B, 4.00%, 2/11/19	550	544,374
Clear Channel Communications:		
Term Loan B, 3.89%, 1/28/16	1,970	1,616,766
Term Loan C, 3.89%, 1/28/16	354	280,450
HMH Publishing Co. Ltd., Term Loan, 6.49%, 6/12/14	855	528,252
Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	5,955	5,944,876
Interactive Data Corp., New Term Loan B, 4.50%, 2/12/18	45	44,899
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,375	1,414,531
Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17	310	287,882
		12,336,246
<b>Multiline Retail 0.4%</b>		
HEMA Holding BV, Mezzanine, 9.03%, 7/05/17		
	EUR 1,125	1,147,114
<b>Oil, Gas &amp; Consumable Fuels 0.6%</b>		
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15		
	USD 1,525	1,532,265
<b>Paper &amp; Forest Products 0.3%</b>		
Verso Paper Finance Holdings LLC, Term Loan with PIK option, 6.79% 7.54%, 2/01/13		
	1,372	686,018
<b>Pharmaceuticals 0.1%</b>		
Pharmaceutical Products Development, Inc., Term Loan B, 6.25%, 12/05/18		
	360	363,150

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<b>Real Estate Investment Trusts (REITs) 0.6%</b>		
iStar Financial, Inc., Term Loan A1, 5.00%, 6/28/13	1,525	1,518,469
<b>Real Estate Management &amp; Development 0.3%</b>		
Realogy Corp.:		
Extended Synthetic Letter of Credit Loan, 4.53%, 10/10/16	104	96,574
Extended Term Loan, 4.77%, 10/10/16	689	639,091
		735,665
<b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>		
NXP B.V., Term Loan A-2, 5.50%, 3/03/17	65	64,512

	Par (000)	Value
<b>Floating Rate Loan Interests (h)</b>		
<b>Software 0.2%</b>		
Infor Enterprise Solutions Holdings, Inc.:		
Extended Delayed Draw Term Loan, 7/28/15	USD 26	\$ 25,430
Extended Initial Term Loan, 7/28/15	49	47,883
Extended Initial Term Loan, 7/28/15	EUR 395	495,998
		569,311
<b>Specialty Retail 0.2%</b>		
Claire's Stores, Inc., Term Loan B, 2.99% - 3.30%, 5/29/14	USD 482	456,568
<b>Wireless Telecommunication Services 0.1%</b>		
Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19	190	189,135
<b>Total Floating Rate Loan Interests 15.1%</b>		38,431,442

	Beneficial Interest (000)	
<b>Other Interests (l)</b>		
<b>Chemicals 0.0%</b>		
Wellman Holdings, Inc., Litigation Trust Certificate (a)	2,650	27
<b>Media 0.0%</b>		
Adelphia Escrow (a)	700	7
Adelphia Recovery Trust (a)	878	88
		95
<b>Total Other Interests 0.0%</b>		122

	Par (000)	
<b>Preferred Securities</b>		
<b>Capital Trusts 0.2%</b>		
<b>Insurance 0.2%</b>		
Genworth Financial, Inc., 6.15%, 11/15/66 (h)	790	542,137

	Shares	
<b>Preferred Stocks</b>		
<b>Auto Components 0.4%</b>		
Dana Holding Corp., 4.00% (a)(c)	7,570	1,019,111
<b>Diversified Financial Services 1.1%</b>		
Ally Financial, Inc., 7.00% (c)(h)	3,083	2,675,081
<b>Total Preferred Stocks 1.5%</b>		3,694,192

Trust Preferred

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		<b>Par (000)</b>	
<b>Diversified Financial Services 0.8%</b>			
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c)	USD	67,560	1,581,082
RBS Capital Funding Trust VII, 6.08%, 12/31/49		41,000	560,470
			2,141,552
<b>Total Preferred Securities 2.5%</b>			<b>6,377,881</b>

**Warrants (m)**

**Health Care Providers & Services 0.0%**

HealthSouth Corp. (Expires 1/16/14)		29,930	
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See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)  
(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Warrants (m)</b>		
<b>Media 0.1%</b>		
Cumulus Media, Inc. (Expires 3/26/19)	USD 39,975	\$ 288,732
New Vision Holdings LLC, (Expires 9/30/14)	14,965	
		288,732
<b>Software 0.0%</b>		
Bankruptcy Management Solutions, Inc. (Expires 9/29/17)	312	
HMH Holdings/EduMedia (Expires 3/09/17)	10	
<b>Total Warrants 0.1%</b>		288,732
<b>Total Long-Term Investments</b>		
<b>(Cost \$318,754,854) 128.0%</b>		325,523,632

**Short-Term Securities**

BlackRock Liquidity Funds, TempCash, Institutional Class, 0.16% (n)(o)	2,264,805	2,264,805
<b>Total Short-Term Securities</b>		
<b>(Cost \$2,264,805) 0.9%</b>		2,264,805

**Options Purchased**

	Contracts	
<b>Exchange-Traded Put Options 0.1%</b>		
SPDR S&P 500 ETF Trust:		
Strike Price USD 134.00, Expires 3/17/12	1,075	101,050
Strike Price USD 136.00, Expires 3/17/12	180	28,440
Strike Price USD 136.00, Expires 4/21/12	180	57,420
		186,910
<b>Over-the-Counter Call Options 0.0%</b>		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Bank USA	17	
<b>Total Options Purchased</b>		
<b>(Cost \$426,553) 0.1%</b>		186,910
<b>Total Investments Before Options Written</b>		
<b>(Cost \$321,446,212) 129.0%</b>		327,975,347

**Options Written**

<b>Exchange-Traded Put Options (0.0)%</b>		
SPDR S&P 500 ETF Trust, Strike Price USD 125.00, Expires 3/17/12	1,075	(15,587)
<b>Total Options Written</b>		
<b>(Premiums Received \$76,897) (0.0)%</b>		(15,587)
<b>Total Investments, Net of Options Written 129.0%</b>		327,959,760
<b>Liabilities in Excess of Other Assets (29.0)%</b>		(73,783,998)
<b>Net Assets 100.0%</b>		\$ 254,175,762

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- (a) Non-income producing security.
- (b) Restricted security as to resale. As of report date the Fund held 2.7% of its net assets, with a current value of \$6,894,626 and an original cost of \$2,338,924 in this security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Variable rate security. Rate shown is as of report date.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
Goldman Sachs & Co.	\$ 960,000	
Citigroup Global Markets, Inc.	\$ 148,081	\$ 3,081
Bank of America	\$ 537,355	\$ 4,355
Barclays Capital Inc.	\$ 277,588	\$ 1,988
Morgan Stanley Co.	\$ 1,419,590	\$ 43,590

- (j) Issuer filed for bankruptcy and/or is in default of interest payments.
- (k) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (l) Other interests represent beneficial interest in liquidation trusts and other reorganization or private entities.
- (m) 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.
- (n) 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 February 28, 2011	Net Activity	Shares Held at February 28, 2012	Income
BlackRock Liquidity Funds, TempCash, Institutional Class	1,721,866	542,939	2,264,805	\$ 1,625

- (o) Represents the current yield as of report date

Financial futures contracts sold as of February 29, 2012 were as follows:

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Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
117	S&P 500 Index E-Mini	Chicago Mercantile	March 2012	\$ 7,981,740	\$ (257,937)

Foreign currency exchange contracts as of February 29, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 901,215	CAD 925,000	Citibank NA	4/11/12	\$ (32,815)
USD 476,773	GBP 300,000	Citibank NA	4/11/12	(362)
EUR 94,000	USD 121,713	Citibank NA	4/18/12	3,548
USD 18,023,462	EUR 14,031,500	Citibank NA	4/18/12	(674,365)
USD 260,236	EUR 198,000	Citibank NA	4/18/12	(3,611)
USD 504,030	EUR 380,000	Citibank NA	4/18/12	(2,343)
USD 129,685	EUR 98,000	Citibank NA	4/18/12	(906)
EUR 300,000	USD 403,899	Deutsche Bank AG	4/18/12	(4,131)
USD 72,462	EUR 56,000	Deutsche Bank AG	4/18/12	(2,161)
USD 129,945	EUR 98,000	Deutsche Bank AG	4/18/12	(646)
USD 166,318	GBP 106,000	Royal Bank of Scotland Plc	4/11/12	(2,270)
USD 1,674,448	CAD 1,710,000	Royal Bank of Scotland Plc	4/11/12	(52,246)
GBP 150,000	USD 235,239	Royal Bank of Scotland Plc	4/11/12	3,328
USD 736,004	EUR 565,000	Royal Bank of Scotland Plc	4/18/12	(16,893)

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund, Inc. (COY)

Foreign currency exchange contracts as of February 29, 2012 were as follows (concluded):

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	104,559	EUR	80,000	Royal Bank of Scotland Plc	4/18/12	\$ (2,045)
USD	436,394	EUR	329,000	Royal Bank of Scotland Plc	4/18/12	(2,018)
USD	3,029,818	GBP	1,976,500	UBS AG	4/11/12	(113,702)
USD	321,008	EUR	243,000	UBS AG	4/18/12	(2,805)
<b>Total</b>						\$ (906,443)

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 95	\$ (5,287)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 155	(8,097)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 85	(2,410)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(2,861)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(5,209)
Republic of Hungary	1.00%	Deutsche Bank AG	12/20/15	\$ 280	14,909
Realogy Corp.	5.00%	Goldman Sachs International	9/20/16	\$ 125	(14,443)
iStar Financial, Inc.	5.00%	Deutsche Bank AG	12/20/16	\$ 250	(25,647)
Israel (State of)	1.00%	Deutsche Bank AG	3/20/17	\$ 210	(2,183)
Israel Government Bond	1.00%	Deutsche Bank AG	3/20/17	\$ 625	(6,931)
<b>Total</b>					\$ (58,159)

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Appreciation (Depreciation)
Air Lease Corporation	5.00%	Goldman Sachs International	2/14/13	NR	\$ 500	\$ 690
CIT Group, Inc.	5.00%	Deutsche Bank AG	9/20/15	BB	\$ 3,100	207,030
Aramark Corp.	5.00%	Goldman Sachs International	3/20/16	B	\$ 500	26,496

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Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$	300	14,273
Aramark Corp.	5.00%	Goldman Sachs International	6/20/16	B	\$	300	16,159
Aramark Corp.	5.00%	Credit Suisse Securities (USA LLC)	9/20/16	B	\$	125	10,126
Aramark Corp.	5.00%	Goldman Sachs International	9/20/16	B	\$		