

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

FLOATING RATE INCOME STRATEGIES FUND INC
 Form N-Q
 July 26, 2006

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANY

Investment Company Act File number 811-21413

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

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

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

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

Date of fiscal year end: 08/31/2006

Date of reporting period: 03/01/06 - 05/31/06

Item 1 - Schedule of Investments

Floating Rate Income Strategies Fund, Inc.

Schedule of Investments as of May 31, 2006

| | Face Amount | Floating Rate Loan Interests** |
|----------------------------|----------------|---|
| Aerospace & Defense - 3.9% | \$ 2,394,000 | IAP Worldwide Services, Inc. First Lien Term Loan, 8% due 12/20/2012 |
| | 1,874,807 | K&F Industries, Inc. Term Loan, 7.28% - 7.34% due 11/22/2011 |
| | 2,101,911 | MRO Acquisitions Corp. First Lien Term Loan, 7.48% due 8/27/2010 |
| | 2,777,778 | Standard Aero Holdings Term Loan, 6.96% - 7.35% due 8/24/2012 |
| | 2,905,412 | Vought Aircraft Industries, Inc. Term Loan, 7.60% due 12/22/2011 |
| | 560,000 | Vought Aircraft Industries, Inc. Tranche B Line of Credit, 7.33% due 12/22/2010 |
| | 1,000,000 | Vought Aircraft Revolving Credit, 7.33% - 7.59% due 12/22/2010 |
| Airlines - 0.8% | 1,000,000 | Delta Air Lines Term Loan B, 10.023% due 3/16/2008 |

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| | 187,500 | United Air Lines Delay Draw Term Loan, 8.875% due 2/ |
| | 1,312,500 | United Air Lines Term Loan B, 8.625% due 2/01/2012 |
| Automotive - 3.0% | 2,672,143 | Affinia Group Term Loan B, 8.13% due 11/30/2011 |
| | 1,250,000 | Delphi Corp. Debtor in Possession Term Loan B, 7.875% due 10/08/2007 |
| | 1,000,000 | GPX International Tire Corp. Term Loan B, 7.60% due 4/06/2012 |
| | 1,575,697 | Keystone Automotive Operations, Inc. Term Loan, 6.99% due 10/30/2009 |
| | 2,896,483 | Tenneco Automotive, Inc. Term Loan B, 7.19% due 12/1 |
| | 1,272,374 | Tenneco Automotive, Inc. Tranche B-1 Credit Linked D 7.052% due 12/12/2010 |
| Broadcasting - 2.7% | 1,197,716 | Emmis Operating Co. Term Loan B, 6.83% - 8.50% due 11/10/2011 |
| | 1,995,000 | Gray Communications Term Loan B, 6.49% due 11/22/201 |
| | 382,692 | NextMedia Group, Inc. Delay Draw Term Loan, 7.059% due 11/15/2012 |
| | 861,058 | NextMedia Group, Inc. First Lien Term Loan, 7.09% due 11/15/2012 |
| | 1,750,000 | NextMedia Group, Inc. Second Lien Term Loan, 9.41% due 11/15/2013 |
| | 3,250,000 | Paxson Communications Corp. First Lien Term Loan, 8. due 11/15/2012 |
| Cable - U.S. - 17.5% | 2,155,172 | Cebridge Connections Term Loan B, 7.319% due 11/05/2 |
| | 12,000,000 | Century Cable Holdings LLC, Discretionary Term Loan, due 12/31/2009 |
| | 21,000,000 | Charter Communications, Inc. Term Loan B, 7.755% due 4/28/2013 |
| | 2,000,000 | DIRECTV Holdings, Inc. Tranche B Term Loan, 6.581% due 4/13/2013 |
| | 5,000,000 | Hilton Head Communications UCA Term Loan B, 9% due 3/31/2008 |
| | 4,887,500 | Insight Midwest Holdings LLC Term Loan C, 7% due 12/31/2009 |
| | 2,962,500 | Intelsat Ltd. Term Loan, 5.25% due 7/28/2011 |
| | 2,121,875 | Mediacom Broadband Group Tranche A Term Loan, 6.02% due 3/31/2010 |
| | 3,160,000 | Mediacom LLC Term Loan C, 6.87% due 1/31/2015 |
| | 6,895,000 | PanAmSat Corp. Tranche B Term Loan, 6.90% due 8/20/2 |
| Chemicals - 7.5% | 1,960,000 | Hercules, Inc. Term Loan B, 6.479% - 6.528% due 10/0 |
| | 6,864,200 | Huntsman ICI Holdings Term Loan B, 6.831% due 8/16/2 |
| | 972,462 | Invista Term Loan, 6.75% due 4/29/2011 |
| | 2,210,141 | Invista Term Loan B-1, 6.75% due 4/29/2011 |
| | 982,500 | Lyondell-Citgo Refining Term Loan, 6.979% due 5/21/2 |
| | 6,597,250 | Nalco Co. Tranche B Term Loan, 6.48% - 6.82% due 11/ |
| | 1,980,000 | Rockwood Specialties Group, Inc. Tranche D Term Loan due 12/10/2012 |
| | 4,750,000 | Wellman, Inc. Second Lien Term Loan, 11.899% due 2/1 |

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| Consumer - Durables - 0.6% | 2,151,711 | Simmons Co. Tranche B Term Loan, 7.375% - 9.25% due 12/19/2011 |
| Consumer - Non-Durables - 1.0% | 1,374,328 | American Achievement Corp. Term Loan B, 9.50% due 3/22/2011 |
| | 1,467,000 | Burt's Bees, Inc. Term Loan, 7.44% - 7.919% due 3/29 |
| | 756,000 | Camelbak Products LLC First Lien Term Loan, 8.67% due 8/04/2011 |
| Diversified Media - 4.2% | 4,624,152 | Liberty Group Operating Term Loan B, 7.375% due 2/28 |
| | 10,000,000 | Metro-Goldwyn-Mayer Studios, Inc. Term Loan B, 7.229% due 4/30/2011 |
| Energy - Exploration & Production - 0.3% | 1,000,000 | MEG Energy Corp. Term Loan B, 7% due 4/03/2013 |
| Energy - Other - 1.9% | 2,750,000 | Dresser, Inc. Term Loan Unsecured, 8.65% due 2/25/20 |
| | 1,025,000 | EPCO, Inc. Term Loan C, 7.077% - 7.221% due 8/18/201 |
| | 1,496,250 | Key Energy Services, Inc. Term Loan B, 8.25% - 8.40% due 6/30/2012 |
| | 1,500,000 | Markwest Energy Operating Co. LLC Term Loan B, 7.319% due 12/29/2010 |
| Food & Drug - 0.2% | 748,087 | Alimentation Couche-Tard, Inc. US Term Loan, 6.875% due 12/17/2010 |
| Food & Tobacco - 2.8% | 1,000,000 | Bolthouse Farms, Inc. Second Lien Term Loan, 10.37% due 12/01/2013 |
| | 1,430,000 | Commonwealth Brands Term Loan, 7.438% due 12/22/2012 |
| | 3,184,781 | Constellation Brands Term Loan B, 6.313% - 6.375% due 11/30/2011 |
| | 1,131,812 | Doane Pet Care Co. Tranche B Term Loan, 6.94% - 7.37% due 10/24/2012 |
| | 186,046 | Dole Food Co., Inc. Letter of Credit, 4.92% due 4/12 |
| | 418,605 | Dole Food Co., Inc. Term Loan B, 6.875% - 8.75% due 4/12/2013 |
| | 1,395,349 | Dole Food Co., Inc. Term Loan C, 6.875% - 8.75% due 4/04/2013 |
| | 713,333 | Pierre Foods, Inc. Term Loan B, 6.93% due 6/30/2010 |
| | 500,000 | QCE LLC First Lien Term Loan, 7.31% due 5/05/2013 |
| Gaming - 6.1% | 799,766 | Global Cash Access LLC Term Loan B, 6.843% due 3/10/ |
| | 1,960,188 | Green Valley Ranch Gaming LLC Term Loan, 6.979% due 12/22/2010 |
| | 895,500 | Isle of Capri Black Hawk Term Loan B, 6.89% - 7.214% due 10/24/2011 |
| | 992,500 | Isle of Capri Casinos, Inc. Tranche 3 Delay Draw Ter 6.729% due 2/04/2011 |
| | 3,233,750 | Penn National Gaming, Inc. Term Loan B, 6.73% - 7.02% 9/01/2007 |
| | 2,000,000 | Pinnacle Entertainment Term Loan, 7.09% due 12/15/20 |
| | 4,988,619 | Resorts International First Lien Term Loan, 7.98% due 4/26/2012 |

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| | 2,458,544 | Trump Entertainment Resorts Holdings LP Term Loan B-1, 7.17% due 5/01/2012 |
| | 1,000,000 | Venetian Casino Resort LLC Delay Draw Term Loan, 6.7% due 6/15/2011 |
| | 3,100,000 | Venetian Casino Resort LLC Term Loan B, 6.28% due 6/15/2011 |
| Health Care - 3.0% | 2,758,000 | Community Health Systems, Inc. Term Loan, 6.85% - 6.95% due 8/19/2011 |
| | 3,099,138 | DaVita, Inc. Tranche B Term Loan, 6.94% - 7.21% due 10/05/2012 |
| | 995,405 | Duloxetine Royalty Term Loan, 9.577% due 10/18/2013 |
| | 986,486 | Gentiva Health Services, Inc. Term Loan B, 7.24% - 7.5% due 3/31/2013 |
| | 1,897,249 | LifePoint Hospitals, Inc. Term Loan B, 6.905% due 4/15/2011 |
| | 674,528 | Rotech Healthcare, Inc. Term Loan B, 7.98% due 3/31/2011 |
| Housing - 3.2% | 2,920,211 | Headwaters, Inc. Term Loan B-1, 7.08% due 4/30/2011 |
| | 660,336 | LIONS Gables Realty Term Loan B, 6.82% - 6.86% due 9/30/2006 |
| | 1,000,000 | Mattamy Group Term Loan B, 7.477% due 4/11/2013 |
| | 2,456,250 | Nortek, Inc. Term Loan, 6.69% due 8/27/2011 |
| | 4,369,500 | PGT Industries, Inc. First Lien Term Loan, 8.13% due 12/15/2010 |
| Information Technology - 2.7% | 2,200,000 | Activant Solutions Term Loan B, 7.188% due 5/02/2013 |
| | 3,510,000 | Fidelity National Information Solutions, Inc. Term Loan B, 6.83% due 3/09/2013 |
| | 1,985,000 | SunGard Data Systems, Inc. Term Loan B, 7.66% due 2/15/2011 |
| | 1,980,000 | Telcordia Technologies, Inc. Term Loan, 7.668% - 7.7% due 9/15/2012 |
| Leisure - 1.1% | 4,000,000 | 24 Hour Fitness Term Loan B, 7.20% - 7.50% due 6/08/2011 |
| Manufacturing - 5.0% | 1,180,555 | Communications & Power Industries, Inc. Term Loan, 7.431% due 7/23/2010 |
| | 2,000,000 | Invensys International Holdings Ltd. Second Lien Term Loan, 9.431% due 12/04/2009 |
| | 2,475,000 | Metokote Corp. Second Lien Term Loan, 8.31% - 8.42% due 11/27/2011 |
| | 4,477,500 | Mueller Group LLC Term Loan B, 7.06% - 7.477% due 10/03/2012 |
| | 1,500,000 | Nacco Materials Handling Group Term Loan B, 7.17% due 3/21/2013 |
| | 5,143,478 | Sensus Metering Systems, Inc. Term Loan B-1, 7.22% - 7.5% due 12/17/2010 |
| | 683,207 | Sensus Metering Systems, Inc. Term Loan B-2, 7.22% - 7.5% due 12/19/2010 |
| Packaging - 5.1% | 2,857,143 | Anchor Glass Container Corp. Term Loan B, 7.309% due 5/03/2013 |
| | 6,021,277 | Berry Plastics Corp. Term Loan, 6.661% due 7/22/2010 |
| | 3,437,500 | Graham Packaging Co. LP Term Loan B, 6.938% - 7.375% due 10/07/2011 |

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| | 1,970,000 | Intertape Polymer US, Inc. Term Loan B, 7.14% - 7.27% due 7/28/2011 |
| | 525,619 | Owens-Illinois Group, Inc. Term Loan B-1, 6.85% due |
| | 3,240,129 | Owens-Illinois Group, Inc. Tranche Term Loan C, 6.85% due 4/01/2008 |
| Paper - 2.9% | 1,178,571 | Boise Cascade Holdings LLC Tranche D Term Loan, 6.75% due 10/28/2011 |
| | 997,500 | Georgia Pacific Corp. First Lien Term Loan B, 6.88% due 2/14/2013 |
| | 1,000,000 | Georgia Pacific Corp. Second Lien Term Loan C, 7.88% - 8.081% due 2/14/2014 |
| | 1,685,064 | Riverside Energy Center Term Loan, 9.376% due 6/24/2010 |
| | 1,972,738 | SP Newsprint Co. Tranche B-1 Credit Linked Deposit, due 1/09/2010 |
| | 681,105 | SP Newsprint Co. Tranche B-1 Term Loan, 7.34% due 1/09/2010 |
| | 2,054,743 | Smurfit-Stone Container Corp. Term Loan B, 7.125% - 7.375% due 11/01/2011 |
| | 697,059 | Smurfit-Stone Container Corp. Term Loan C, 7.125% - 7.375% due 11/01/2011 |
| Retail - 1.2% | 1,129,352 | American Reprographics Co. Term Loan, 6.70% - 8.75% due 6/18/2009 |
| | 1,682,868 | General Nutrition Centers, Inc. Tranche B Term Loan, due 12/05/2009 |
| | 1,424,051 | The Neiman Marcus Group, Inc. Term Loan, 7.34% due 4/06/2013 |
| Service - 4.0% | 1,990,000 | Baker Tanks, Inc. Term Loan B, 7.20% - 7.593% due 11/18/2010 |
| | 2,849,250 | Burhrmann USA, Inc. Term Loan C, 6.67% - 6.88% due 12/23/2010 |
| | 1,997,982 | Coinmach Laundry Corp. Term Loan B, 7.625% - 7.688% due 12/16/2012 |
| | 2,260,172 | Coinstar, Inc. Term Loan, 6.96% - 7.03% due 7/07/2011 |
| | 997,500 | RGIS Inventory Specialists First Lien Term Loan, 7.4% due 12/31/2012 |
| | 808,070 | United Rentals, Inc. Term Loan, 7.10% due 2/14/2011 |
| | 164,912 | United Rentals, Inc. Tranche B Credit Linked Deposit due 2/14/2011 |
| | 1,959,794 | Weight Watchers International, Inc. First Lien Term Loan, 7.318% - 7.331% due 11/18/2010 |
| | 1,000,000 | Weight Watchers International, Inc. Term Loan C, 9.4% due 7/17/2006 |
| Telecommunications - 1.2% | 2,000,000 | Alaska Communication Systems Holdings, Inc. Incremental Term Loan, 6.729% due 2/01/2012 |
| | 2,172,500 | Consolidated Communications, Inc. Term Loan D, 6.729% due 10/14/2011 |
| Utility - 12.6% | 1,571,429 | AES Corp. Term Loan, 5.69% - 6.75% due 4/30/2008 |
| | 2,500,000 | Calpine Corp. Delay Draw Term Loan, 8.979% due 12/20/2007 |
| | 4,902,199 | Calpine Corp. Term Loan B, 10.35% due 7/16/2007 |

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| | 1,500,000 | Calpine Generating Co. LLC First Lien Term Loan, 8.7% due 4/01/2009 |
| | 2,500,000 | Calpine Generating Co. LLC Second Lien Term Loan, 10% due 3/11/2010 |
| | 1,667,431 | Cogentrix Delaware Holdings, Inc. Term Loan, 6.75% due 4/15/2012 |
| | 2,341,463 | Covanta Energy Corp. First Lien Letter of Credit, 4.75% due 6/24/2012 |
| | 1,677,896 | Covanta Energy Corp. First Lien Term Loan, 7.96% - 8.00% due 6/24/2012 |
| | 2,500,000 | Covanta Energy Corp. Second Lien Term Loan, 10.46% - 10.50% due 6/24/2013 |
| | 1,425,000 | El Paso Corp. Deposit Account, 4.729% due 11/23/2009 |
| | 1,843,000 | El Paso Corp. Term Loan, 7.75% due 11/23/2009 |
| | 4,950,000 | KGen LLC Tranche A Term Loan, 7.604% due 8/05/2011 |
| | 3,118,687 | LSP Gen Finance Co. LLC First Lien Term Loan, 6.843% due 5/04/2013 |
| | 500,000 | LSP Gen Finance Co. LLC Term Loan, 8.593% due 5/04/2013 |
| | 2,474,755 | LSP Kendall Energy Term Loan B, 6.979% due 10/07/2011 |
| | 434,992 | Midwest Generation LLC Term Loan C, 6.39% - 6.74% due 4/27/2011 |
| | 498,750 | Mirant Corp. Term Loan B, 6.83% due 1/03/2013 |
| | 2,023,333 | Quanta Services, Inc. Credit Linked Deposit, 4.93% due 6/19/2008 |
| | 561,033 | Reliant Energy, Inc. Term Loan, 7.465% due 4/30/2010 |
| | 133,966 | Rocky Mountain Energy Center LLC Credit Linked Deposits, 6.00% due 6/24/2011 |
| | 1,165,871 | Rocky Mountain Energy Center LLC Term Loan, 9.376% due 6/24/2011 |
| | 1,481,527 | Wolf Hollow I LP First Lien Term Loan, 7.185% due 6/22/2011 |
| | 1,200,000 | Wolf Hollow I LP Letter of Credit, 7.331% due 6/22/2011 |
| | 300,000 | Wolf Hollow I LP Revolving Credit, 7.059% due 6/22/2011 |
| | 1,000,000 | Wolf Hollow I LP Second Lien Term Loan, 9.435% due 12/22/2012 |
| Wireless Communications - 0.6% | 2,154,167 | Centennial Cellular Operating Co. Term Loan, 7.21% - 7.25% due 2/09/2011 |
| | | Total Floating Rate Loan Interests (Cost - \$334,550,706) - 95.1% |
| | | Corporate Bonds |
| Aerospace & Defense - 0.1% | 250,000 | Alliant Techsystems, Inc., 6.75% due 4/01/2016 |
| Automotive - 0.1% | 250,000 | Autonation, Inc., 7.045% due 4/15/2013 (a) (b) |
| Cable - International - 0.1% | 375,000 | NTL Cable Plc, 8.75% due 4/15/2014 |
| Cable - U.S. - 2.7% | 2,000,000 | CSC Holdings, Inc. Series B, 7.625% due 4/01/2011 |
| | 2,000,000 | Cablevision Systems Corp. Series B, 9.62% due 4/01/2011 |
| | 3,000,000 | Cablevision Systems Corp. Series B, 8% due 4/15/2012 |
| | 750,000 | Intelsat Subsidiary Holding Co. Ltd., 9.614% due 1/15/2011 |
| | 500,000 | Intelsat Subsidiary Holding Co. Ltd., 8.25% due 1/15/2011 |
| | 800,000 | Quebecor Media, Inc., 7.75% due 3/15/2016 (b) |
| | 250,000 | Quebecor World Capital Corp., 8.75% due 3/15/2016 (b) |

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| Chemicals - 0.8% | 2,011,000 | GEO Specialty Chemicals, Inc., 13.50% due 12/31/2009 |
| | 1,125,000 | Nova Chemicals Corp., 8.405% due 11/15/2013 (a) |
| Diversified Media - 0.3% | 250,000 | RH Donnelley Corp., 6.875% due 1/15/2013 (b) |
| | 550,000 | RH Donnelley Corp., 8.875% due 1/15/2016 (b) |
| | 450,000 | RH Donnelley Corp., Series A-2, 6.875% due 1/15/2013 |
| Energy - Other - 0.9% | 3,000,000 | Ocean RIG ASA, 8.99% due 4/04/2011 |
| | 250,000 | PHI, Inc., 7.125% due 4/15/2013 (b) |
| Food & Drug - 0.2% | 500,000 | Stripes Acquisition LLC, 10.625% due 12/15/2013 (b) |
| Food & Tobacco - 1.2% | 250,000 | AmeriQual Group LLC, 9.25% due 4/01/2012 (b) |
| | 3,000,000 | Smithfield Foods, Inc., 7% due 8/01/2011 |
| | 1,050,000 | The Wornick Co., 10.875% due 7/15/2011 |
| Gaming - 2.5% | 1,100,000 | Galaxy Entertainment Finance Co. Ltd., 10.42% due 12/15/2010 (a) (b) |
| | 2,000,000 | Little Traverse Bay Bands of Odawa Indians, 10.25% due 2/15/2014 (b) |
| | 550,000 | MTR Gaming Group, Inc., 9% due 6/01/2012 (b) |
| | 5,000,000 | Majestic Star Casino LLC, 9.50% due 10/15/2010 |
| Health Care - 0.4% | 675,000 | Angiotech Pharmaceuticals, Inc., 7.75% due 4/01/2014 |
| | 575,000 | US Oncology, Inc., 9% due 8/15/2012 |
| Information Technology - 3.5% | 4,050,000 | Freescale Semiconductor, Inc., 7.818% due 7/15/2009 |
| | 4,625,000 | MagnaChip Semiconductor SA, 8.579% due 12/15/2011 (a) |
| | 1,825,000 | SunGard Data Systems, Inc., 9.431% due 8/15/2013 (a) |
| | 1,900,000 | SunGard Data Systems, Inc., 10.25% due 8/15/2015 (b) |
| Leisure - 1.6% | 5,400,000 | Felcor Lodging LP, 9.57% due 6/01/2011 (a) |
| Manufacturing - 1.0% | 325,000 | ERICO International Corp., 8.875% due 3/01/2012 |
| | 2,900,000 | Invensys Plc, 9.875% due 3/15/2011 (b) |
| Metal - Other - 0.2% | 700,000 | Novelis, Inc., 7.75% due 2/15/2015 |
| Packaging - 0.3% | 1,000,000 | Packaging Dynamics Finance Corp., 10% due 5/01/2016 |
| Paper - 1.4% | 2,650,000 | Abitibi-Consolidated, Inc., 8.829% due 6/15/2011 (a) |
| | 700,000 | Ainsworth Lumber Co. Ltd., 8.71% due 10/01/2010 (a) |
| | 725,000 | Domtar, Inc., 7.125% due 8/15/2015 |
| | 925,000 | NewPage Corp., 11.399% due 5/01/2012 (a) |

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| Retail - 1.0% | 1,600,000 | Jean Coutu Group, Inc., 8.50% due 8/01/2014 |
| | 2,000,000 | Neiman-Marcus Group, Inc., 9% due 10/15/2015 (b) |
| Service - 1.8% | 250,000 | Ahern Rentals, Inc., 9.25% due 8/15/2013 |
| | 3,375,000 | Allied Waste North America, Inc. Series B, 7.375% due 4/15/2014 |
| | 600,000 | Dycom Industries, Inc., 8.125% due 10/15/2015 |
| | 250,000 | iPayment, Inc., 9.75% due 5/15/2014 (b) |
| | 2,000,000 | Sunstate Equipment Co. LLC, 10.50% due 4/01/2013 (b) |
| Steel - 0.9% | 3,000,000 | CSN Islands VIII Corp., 9.75% due 12/16/2013 (b) |
| Telecommunications - 3.3% | 3,000,000 | Cincinnati Bell, Inc., 8.375% due 1/15/2014 |
| | 3,700,000 | Qwest Communications International, Inc., 8.67% due 2/15/2009 (a) |
| | 1,450,000 | Qwest Corp., 8.579% due 6/15/2013 (a) |
| | 3,500,000 | Time Warner Telecom Holdings, Inc., 9.17% due 2/15/2014 |
| Utility - 3.1% | 2,000,000 | Calpine Corp., 9.875% due 12/01/2011 (b) (f) |
| | 1,675,000 | Dynegy Holdings, Inc., 8.375% due 5/01/2016 (b) |
| | 700,000 | Edison Mission Energy, 7.50% due 6/15/2013 (b) |
| | 3,000,000 | NRG Energy, Inc., 7.25% due 2/01/2014 |
| | 4,000,000 | Reliant Energy, Inc., 6.75% due 12/15/2014 |
| Wireless Communications - 1.0% | 3,250,000 | Rogers Wireless Communications, Inc., 8.454% due 12/15/2010 (a) |
| | 250,000 | Rural Cellular Corp., 9.41% due 3/15/2010 (a) |
| | | Total Corporate Bonds (Cost - \$99,301,880) - 28.4% |
| | Shares Held | Common Stocks |
| Chemicals - 0.0% | 13,117 | GEO Specialty Chemicals, Inc. (e) |
| Energy - Other - 1.2% | 127,985 | Trico Marine Services, Inc. (e) |
| Manufacturing - 0.5% | 71,654 | Medis Technologies Ltd. (e) |
| Paper - 0.0% | 84,448 | Western Forest Products, Inc. (e) |
| | | Total Common Stocks (Cost - \$4,496,224) - 1.7% |
| | | Warrants (d) |

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Utility - 0.0% 4,558 Reliant Resources (expires 10/25/2008)

Total Warrants (Cost - \$0) - 0.0%

Total Investments (Cost - \$438,348,810*) - 125.2%
Liabilities in Excess of Other Assets - (25.2%)

Net Assets - 100.0%

* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2006, as computed for federal income tax purposes, were as follows:

| | | |
|-------------------------------|----|-------------|
| Aggregate cost | \$ | 438,283,095 |
| | | ===== |
| Gross unrealized appreciation | \$ | 6,907,410 |
| Gross unrealized depreciation | | (1,374,549) |
| | | ----- |
| Net unrealized appreciation | \$ | 5,532,861 |
| | | ===== |

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

- (a) Floating rate security.
- (b) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (c) Convertible security.
- (d) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (e) Non-income producing security.
- (f) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.
- o Swaps outstanding as of May 31, 2006 were as follows:

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

Sold credit default protection on General

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Motors Corp. and receive 4.40%

Broker, Morgan Stanley Capital Services, Inc.
Expires June 2007 \$ 2,000,000 \$ (70,122)

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

| Affiliate | Net Activity | Interest Income |
|--|--------------|-----------------|
| Merrill Lynch Liquidity Series, LLC Cash Sweep Series I | - | \$ 37,389 |

Item 2 - Controls and Procedures

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

Item 3 - Exhibits

Certifications - Attached hereto

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

Floating Rate Income Strategies Fund, Inc.

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

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

Date: July 21, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the

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following persons on behalf of the registrant and in the capacities and on the dates indicated.

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

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

Date: July 21, 2006

By: /s/ Donald C. Burke

Donald C. Burke
Chief Financial Officer
Floating Rate Income Strategies Fund, Inc.

Date: July 21, 2006