

BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC
Form N-CSRS
May 06, 2010

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

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-21413

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 02/28/2010

Item 1 Report to Stockholders

Semi-Annual Report

FEBRUARY 28, 2010 | (UNAUDITED)

[BlackRock Defined Opportunity Credit Trust \(BHL\)](#)

[BlackRock Diversified Income Strategies Fund, Inc. \(DVF\)](#)

[BlackRock Floating Rate Income Strategies Fund, Inc. \(FRA\)](#)

[BlackRock Limited Duration Income Trust \(BLW\)](#)

[BlackRock Senior Floating Rate Fund, Inc.](#)

[BlackRock Senior Floating Rate Fund II, Inc.](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past year marked a pivotal turning point for global markets as the Great Recession that started in December 2007 began to recede and give way to recovery.

The dramatic about-face could be attributed to a confluence of factors, most notably the extraordinary policy actions of global governments and central

banks, a resurgence in corporate profits and growing signs of stability and healing in world economies.

After reaching a trough in early March 2009, stocks galloped higher as investors were lured back into the markets by depressed valuations, desire for higher

yields and increasing confidence that all-out financial disaster had been averted. The result was a powerful upswing in global equities and other higher-risk

assets through the end of 2009. More recently, the combination of mixed economic data, lingering deflation issues (especially in Europe) and proposed fees

and levies on banks dampened investor conviction, resulting in a several-week bout of profit-taking. The selloff had a more pronounced negative effect on inter-

national and emerging market equities due primarily to concerns of higher interest rates in Asia and negative headlines out of Europe, particularly in Greece.

Generally speaking, investors' renewed affinity for risk was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One

of the major themes in 2009 was the reversal of the flight-to-quality trade. High yield, one of the most battered areas during the financial crisis, emerged as

the strongest-performing fixed income sector in both the taxable and tax-exempt space. Despite weak fundamentals, the municipal market produced solid

returns as technical conditions remained supportive of the asset class. Municipal bond mutual funds enjoyed strong inflows and tax-exempt issuance remained

low thanks to the ever-increasing popularity of the Build America Bond program. Nevertheless, state and local fiscal woes and bankruptcy fears remain firmly in

the spotlight, and bear close monitoring.

At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market

Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in

money market funds declined from the peak registered in early 2009, but remain above levels registered prior to the financial crisis that began in 2007.

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Against this backdrop, the major market averages posted the following returns:

| Total Returns as of February 28, 2010 | 6-month | 12-month |
|--|----------------|-----------------|
| US equities (S&P 500 Index) | 9.32% | 53.62% |
| Small cap US equities (Russell 2000 Index) | 10.59 | 63.95 |
| International equities (MSCI Europe, Australasia, Far East Index) | 0.72 | 54.58 |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.07 | 0.20 |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index) | 0.07 | (1.54) |
| Taxable fixed income (Barclays Capital US Aggregate Bond Index) | 3.19 | 9.32 |
| Tax-exempt fixed income (Barclays Capital Municipal Bond Index) | 4.13 | 9.98 |
| High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 13.86 | 55.20 |

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

The market continues to show signs of improvement, but questions about the strength and sustainability of the recovery abound. Through periods of uncer-

tainty, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit

www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning Shareholder® magazine, as well as its quarterly com-

panion newsletter, Shareholder Perspectives. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued

partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of February 28, 2010 BlackRock Defined Opportunity Credit Trust

Investment Objective

BlackRock Defined Opportunity Credit Trust (BHL) (the Fund) seeks high current income, with a secondary objective of long-term capital appreciation.

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

Performance

For the six months ended February 28, 2010, the Fund returned 17.73% based on market price and 9.88% based on net asset value (NAV). For the same period, the Lipper Loan Participation Funds category posted an average return of 29.78% on a market price basis and 13.09% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we generally favored less economically sensitive sectors and higher-quality credits, which detracted from results as they underperformed lower-rated issues and those sectors with greater economic sensitivity. In addition, the Fund maintained relatively conservative levels of leverage (at period end, 16% of the Fund's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33 1/3 % regulatory limit. On the positive side, approximately 13% of the portfolio was invested in high yield, which aided performance as the sector performed well. Overweight positions in the automotive sector and a few special situation and distressed credits also was additive.

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.

Fund Information

| | |
|--|------------------|
| Symbol on New York Stock Exchange (NYSE) | BHL |
| Initial Offering Date | January 31, 2008 |
| Yield on Closing Market Price as of February 28, 2010 (\$12.62) ¹ | 5.13% |
| Current Monthly Distribution per Share ² | \$0.054 |
| Current Annualized Distribution per Share ² | \$0.648 |
| Leverage as of February 28, 2010 ³ | 16% |

¹ 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.

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

³ Represents loans 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 borrowing representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$12.62 | \$11.03 | 14.42% | \$12.69 | \$10.96 |
| Net Asset Value | \$13.38 | \$12.53 | 6.78% | \$13.41 | \$12.51 |

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

| | 2/28/10 | 8/31/09 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 82% | 94% |
| Corporate Bonds | 17 | 6 |
| Other Interests | 1 | |

Credit Quality Allocations⁴

| | 2/28/10 | 8/31/09 |
|-----------|---------|---------|
| BBB/Baa | 10% | 16% |
| BB/Ba | 41 | 57 |
| B | 44 | 27 |
| Not Rated | 5 | |

⁴ Using the higher of Standard & Poor's Corporation (S&P's) or Moody's Investors Service, Inc. (Moody's) ratings.

Fund Summary as of February 28, 2010 BlackRock Diversified Income Strategies Fund, Inc.

Investment Objective

BlackRock Diversified Income Strategies Fund, Inc. (DVF) (the Fund) seeks to provide investors with a high current income by investing primarily in a diversified portfolio of floating rate debt securities and instruments, including floating or variable rate loans, bonds, preferred securities (including convertible preferred securities), notes or other debt securities or instruments that pay a floating rate of interest.

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

Performance

For the six months ended February 28, 2010, the Fund returned 26.89% based on market price and 23.33% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 29.78% on a market price basis and 13.09% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, 66% of the Fund's portfolio was invested in floating rate loan interests and about 30% in high yield bonds, with a portion of the allocation in floating rate notes and a portion swapped to floating rate. Both categories outperformed floating rate loan interests during the six months, which benefited performance. The Fund's credit allocation has been biased towards lower-quality and nonrated credits, which also aided results. On the other hand, the Fund maintained leverage in the low-teen range, which detracted from performance versus the Lipper competitors, who maintained leverage closer to the $33\frac{1}{3}\%$ regulatory limit.

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Fund Information

| | |
|--|------------------|
| Symbol on NYSE | DVF |
| Initial Offering Date | January 31, 2005 |
| Yield on Closing Market Price as of February 28, 2010 (\$10.67) ¹ | 7.70% |
| Current Monthly Distribution per Share ² | \$0.0685 |
| Current Annualized Distribution per Share ² | \$0.8220 |
| Leverage as of February 28, 2010 ³ | 17% |

¹ 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.

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

³ Represents loans outstanding as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to any borrowings, minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques

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utilized

by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|---------|---------|--------|---------|--------|
| Market Price | \$10.67 | \$8.80 | 21.25% | \$10.73 | \$8.65 |
| Net Asset Value | \$10.30 | \$8.74 | 17.85% | \$10.36 | \$8.74 |

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

| | 2/28/10 | 8/31/09 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 66% | 49% |
| Corporate Bonds | 31 | 49 |
| Common Stocks | 2 | 2 |
| Other Interests | 1 | |

Credit Quality Allocations⁴

| | 2/28/10 | 8/31/09 | |
|-----------|---------|---------|---|
| BBB/Baa | 5% | | |
| BB/Ba | 25 | 17% | |
| B | 40 | 37 | |
| CCC/Caa | 13 | 34 | |
| CC/Ca | 1 | 4 | |
| D | 2 | 3 | |
| Not Rated | | 14 | 5 |

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of February 28, 2010 BlackRock Floating Rate Income Strategies Fund, Inc.

Investment Objective

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

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

Performance

For the six months ended February 28, 2010, the Fund returned 32.19% based on market price and 14.12% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 29.78% on a market price basis and 13.09% on a NAV basis. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds and unleveraged continuously offered closed-end funds. 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. During the period, slightly less than 20% of the Fund was invested in high yield bonds, which contributed positively to performance as high yield outperformed floating rate loan interests. Overweight positions in the automobiles sector and a few special situation and distressed credits also helped results, as did an underweight in health care. On the other hand, the Fund generally favored less economically sensitive sectors and higher-quality credits, which detracted from performance as these issues underperformed lower-rated issues and those sectors with greater economic sensitivity. In addition, the Fund maintained relatively conservative levels of leverage (at period end, 15% of the Fund's total managed assets), which was a detractor versus the Lipper competitors, who maintained leverage closer to the 33 ¹/₃ % regulatory limit.

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Fund Information

| | |
|--|------------------|
| Symbol on NYSE | FRA |
| Initial Offering Date | October 31, 2003 |
| Yield on Closing Market Price as of February 28, 2010 (\$15.64) ¹ | 6.25% |
| Current Monthly Distribution per Share ² | \$0.0815 |
| Current Annualized Distribution per Share ² | \$0.9780 |
| Leverage as of February 28, 2010 ³ | 15% |

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¹ 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.

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

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

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

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$15.64 | \$12.26 | 27.57% | \$15.65 | \$12.15 |
| Net Asset Value | \$14.24 | \$12.93 | 10.13% | \$14.30 | \$12.93 |

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

corporate bond investments:

Portfolio Composition

| | 2/28/10 | 8/31/09 |
|------------------------------|----------------|----------------|
| Floating Rate Loan Interests | 73% | 75% |
| Corporate Bonds | 25 | 24 |
| Other Interests | 1 | |
| Common Stocks | 1 | 1 |

Credit Quality Allocations⁴

| | 2/28/10 | 8/31/09 |
|-----------|----------------|----------------|
| BBB/Baa | 5% | 12% |
| BB/Ba | 35 | 15 |
| B | 40 | 46 |
| CCC/Caa | 9 | 21 |
| D | 2 | 4 |
| Not Rated | 9 | 2 |

⁴ Using the higher of S&P's or Moody's ratings.

Fund Summary as of February 28, 2010 BlackRock Limited Duration Income Trust

Investment Objective

BlackRock Limited Duration Income Trust (BLW) (the Fund) seeks to provide current income and capital appreciation.

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

Performance

For the six months ended February 28, 2010, the Fund returned 14.21% based on market price and 12.73% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis.

All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's Lipper category is composed primarily of high yield funds. In addition to high yield bonds, the Fund invests in high yield loans and investment-grade bonds, which hurt relative performance as these securities underperformed high yield. The Fund tended to favor sectors less exposed to the economy, the consumer and housing, which detracted from results given the period's strong market performance. Conversely, overweights in the automobiles sector and a number of special situation and distressed credits (including automobiles) helped. During the period, the Fund tended to hold low cash balances, although the cash position at period end was 6%. Given the market's positive performance, this cash balance negatively impacted performance.

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Fund Information

| | |
|--|---------------|
| Symbol on NYSE | BLW |
| Initial Offering Date | July 30, 2003 |
| Yield on Closing Market Price as of February 28, 2010 (\$15.64) ¹ | 5.37% |
| Current Monthly Distribution per Share ² | \$0.070 |
| Current Annualized Distribution per Share ² | \$0.840 |
| Leverage as of February 28, 2010 ³ | 2% |

¹ 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.

² A change in the distribution rate was declared on March 1, 2010. The Monthly Distribution per Share was increased to \$0.075. The Yield on Closing

Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

³ Represents loans outstanding as a percentage of managed assets, which is the total assets of the Fund, including any assets attributable to

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any borrowing that may be outstanding, minus the sum of accrued liabilities (other than debt representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the Fund's market price and net asset value per share:

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$15.64 | \$14.09 | 11.00% | \$15.68 | \$13.72 |
| Net Asset Value | \$16.38 | \$14.95 | 9.57% | \$16.38 | \$14.95 |

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

Portfolio Composition

| | 2/28/10 | 8/31/09 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 42% | 45% |
| Corporate Bonds | 33 | 24 |
| U.S. Government Sponsored | | |
| Agency Securities | 18 | 26 |
| Non-Agency Mortgage | | |
| Backed Securities | 2 | |
| Asset-Backed Securities | 2 | 2 |
| Foreign Agency Obligations | 2 | 2 |
| Other Interests | 1 | |
| U.S. Treasury Obligations | | 1 |

Credit Quality Allocations⁴

| | 2/28/10 | 8/31/09 |
|----------------------|---------|---------|
| AAA/Aaa ⁵ | 36% | 53% |
| BBB/Baa | 3 | 6 |
| BB/Ba | 22 | 11 |
| B | 28 | 10 |
| CCC/Caa | 7 | 16 |
| C | | 1 |
| D | | 1 |
| Not Rated | 4 | 2 |

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes U.S. Government Sponsored Agency securities and U.S. Treasury Obligations, which are deemed AAA/Aaa by the investment advisor.

Fund Summary as of February 28, 2010 BlackRock Senior Floating Rate Fund, Inc.

Investment Objective

BlackRock Senior Floating Rate Fund, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions.

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

Performance

For the six months ended February 28, 2010, the Fund returned 7.97% based on NAV. For the same period, the closed-end Lipper Loan Participation

Funds category posted an average return of 13.09% on a NAV basis. All returns reflect reinvestment of dividends. The Fund, through its investment in the Master Senior Floating Rate LLC, maintained relatively conservative positioning (i.e., higher quality credits and loan structures) and no leverage, which hindered performance in the strong market of the past six months versus its Lipper competitors, many of which employ leverage. We believe this positioning is prudent for the medium term. Overweight positions in the automobiles sector and a few special situation and distressed credits helped results, as did an underweight in health care. During the period, the Fund tended to hold low cash balances, although the cash position at period end was 8%. Given the market's positive performance, this cash balance negatively impacted performance.

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Fund Information¹

| | |
|--|------------------|
| Initial Offering Date | November 3, 1989 |
| Yield based on Net Asset Value as of February 28, 2010 (\$7.54) ² | 4.94% |
| Current Monthly Distribution per Share ³ | \$0.028552 |
| Current Annualized Distribution per Share ³ | \$0.372196 |

¹ The Fund is a continuously offered closed-end fund that does not trade on an exchange.

² Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value.

Past performance does not guarantee future results.

³ The distribution is not constant and is subject to change.

The table below summarizes the change in the Fund's NAV per share:

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|---------|---------|--------|--------|--------|
| Net Asset Value | \$7.54 | \$7.16 | 5.31% | \$7.59 | \$7.16 |

**Expense Example for Continuously Offered
Closed-End Funds**

| | Actual | | | Hypothetical ⁵ | | |
|--|---|---|--|---|---|---|
| | Beginning Account Value September 1, 2009 | Ending Account Value February 28, 2010 | Expenses Paid During the Period ⁴ | Beginning Account Value September 1, 2009 | Ending Account Value February 28, 2010 | Expenses Paid During the Period ⁴ |
| BlackRock Senior Floating Rate Fund, Inc. | \$1,000 | \$1,079.70 | \$7.89 | \$1,000 | \$1,017.21 | \$7.65 |

⁴ Expenses are equal to the annualized expense ratio of 1.53%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year

period shown). Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

⁵ Hypothetical 5% annual return before expenses is calculated by pro rating the number of days in the most recent fiscal half year divided by 365.

See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 11 for further information on how expenses were calculated.

Fund Summary as of February 28, 2010 BlackRock Senior Floating Rate Fund II, Inc.

Investment Objective

BlackRock Senior Floating Rate Fund II, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions.

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

Performance

For the six months ended February 28, 2010, the Fund returned 7.88% based on NAV. For the same period, the closed-end Lipper Loan Participation

Funds category posted an average return of 13.09% on a NAV basis. All returns reflect reinvestment of dividends. The Fund, through its investment in the Master Senior Floating Rate LLC, maintained relatively conservative positioning (i.e., higher quality credits and loan structures) and no leverage, which hindered performance in the strong market of the past six months versus its Lipper competitors, many of which employ leverage. We believe this positioning is prudent for the medium term. Overweight positions in the automobiles sector and a few special situation and distressed credits helped results, as did an underweight in health care. During the period, the Fund tended to hold low cash balances, although the cash position at period-end was 8%. Given the market's positive performance, this cash balance negatively impacted performance.

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Fund Information¹

| | |
|--|----------------|
| Initial Offering Date | March 26, 1999 |
| Yield based on Net Asset Value as of February 28, 2010 (\$8.17) ² | 4.80% |
| Current Monthly Distribution per Share ³ | \$0.030085 |
| Current Annualized Distribution per Share ³ | \$0.392179 |

¹ The Fund is a continuously offered closed-end fund that does not trade on an exchange.

² Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value.

Past performance does not guarantee future results.

³ The distribution is not constant and is subject to change.

The table below summarizes the change in the Fund's NAV per share:

| | 2/28/10 | 8/31/09 | Change | High | Low |
|-----------------|---------|---------|--------|--------|--------|
| Net Asset Value | \$8.17 | \$7.76 | 5.28% | \$8.22 | \$7.75 |

**Expense Example for Continuously Offered
Closed-End Funds**

| | Actual | | | Hypothetical ⁵ | | |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|---|
| | Beginning Account Value | Ending Account Value | Expenses Paid During the Period ⁴ | Beginning Account Value | Ending Account Value | Expenses Paid During the Period ⁴ |
| | September 1, 2009 | February 28, 2010 | | 2009 | February 28, 2010 | |
| BlackRock Senior Floating Rate Fund II, Inc. | \$1,000 | \$1,078.80 | \$8.61 | \$1,000 | \$1,016.51 | \$8.35 |

⁴ Expenses are equal to the annualized expense ratio of 1.67%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown). Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

⁵ Hypothetical 5% annual return before expenses is calculated by pro rating the number of days in the most recent fiscal half year divided by 365. See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 11 for further information on how expenses were calculated.

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The Benefits and Risks of Leveraging

BlackRock Defined Opportunity Credit Trust, BlackRock Diversified Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc. and BlackRock Limited Duration Income Trust (each a Fund and collectively, the Funds) may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

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

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

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn the income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore Common 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 of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the 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 do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and shareholders, 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' NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by common shareholders of each Fund and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility up to $33\frac{1}{3}\%$ of their total managed assets. As of February 28, 2010, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

| | Percent of Leverage |
|-----|--------------------------------|
| BHL | 16% |
| DVF | 17% |
| FRA | 15% |
| BLW | 2% |

Derivative Financial Instruments

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

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

Disclosure of Expenses for Continuously Offered Closed-End Funds

Shareholders of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. may incur the following charges:

(a) expenses related to transactions, including early withdrawal fees; and
(b) operating expenses, including administration fees, and other Fund expenses. The examples on the previous pages (which are based on a hypothetical investment of \$1,000 invested on September 1, 2009 and held through February 28, 2010) are intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The tables provide information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number corresponding to their Fund under the heading entitled Expenses Paid During the Period.

The tables also provide information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in these Funds and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

The expenses shown in the tables are intended to highlight shareholders' ongoing costs only and do not reflect any transactional expenses, such

as early withdrawal fees. Therefore, the hypothetical examples are useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

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Schedule of Investments February 28, 2010 (Unaudited)

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|--------------|------------|
| Capital Markets 0.2% | | |
| E*Trade Financial Corp. (a) | 163,000 | \$ 262,430 |
| Total Common Stocks 0.2% | | 262,430 |
| | Par | |
| | (000) | |
| Corporate Bonds | | |
| Aerospace & Defense 0.3% | | |
| L-3 Communications Corp., 5.88%, 1/15/15 | USD 300 | 301,125 |
| Airlines 0.3% | | |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 300 | 309,000 |
| Auto Components 0.0% | | |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | 13 | 12,923 |
| Building Products 0.3% | | |
| Building Materials Corp. of America, 7.00%, 2/15/20 (b) | 375 | 375,000 |
| Chemicals 0.4% | | |
| Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b) | 280 | 261,800 |
| Nalco Co., 8.25%, 5/15/17 (b) | 250 | 266,875 |
| | | 528,675 |
| Commercial Services & Supplies 0.5% | | |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 400 | 404,000 |
| The Geo Group, Inc., 7.75%, 10/15/17 (b) | 250 | 253,125 |
| | | 657,125 |
| Communications Equipment 0.0% | | |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 (b) | 50 | 51,000 |
| Consumer Finance 0.5% | | |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (b) | 575 | 589,375 |
| Containers & Packaging 1.1% | | |
| Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b) | 700 | 698,250 |
| Crown Americas LLC, 7.63%, 5/15/17 (b) | 280 | 291,200 |
| Owens-Brockway Glass Container, Inc., 7.38%, 5/15/16 | 280 | 289,100 |
| | | 1,278,550 |
| Diversified Financial Services 2.4% | | |
| CIT Group, Inc., 7.00%, 5/01/17 | 1,375 | 1,215,156 |
| FCE Bank Plc: 7.13%, 1/16/12 | EUR 600 | 809,804 |

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| | | | | |
|--|----------------|-----|--------------|--------------|
| | 7.13%, 1/15/13 | | 50 | 66,721 |
| GMAC, Inc., 8.30%, 2/12/15 (b) | | USD | 850 | 857,438 |
| | | | | 2,949,119 |
| Diversified Telecommunication Services 1.7% | | | | |
| Cincinnati Bell, Inc., 8.25%, 10/15/17 | | | 500 | 500,000 |
| PAETEC Holding Corp., 8.88%, 6/30/17 (b) | | | 100 | 100,624 |
| Qwest Corp., 8.38%, 5/01/16 | | | 640 | 700,800 |
| Windstream Corp., 7.88%, 11/01/17 | | | 750 | 733,125 |
| | | | | 2,034,549 |
| Energy Equipment & Services 0.4% | | | | |
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b) | | | 500 | 497,500 |
| Food Products 1.1% | | | | |
| B&G Foods, Inc., 7.63%, 1/15/18 | | | 300 | 303,000 |
| Bumble Bee Foods LLC, 7.75%, 12/15/15 (b) | | | 210 | 210,525 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | | | 740 | 801,050 |
| | | | | 1,314,575 |
| | | | Par | Value |
| | | | (000) | |
| Corporate Bonds | | | | |
| Health Care Providers & Services 0.3% | | | | |
| DaVita, Inc., 6.63%, 3/15/13 | | USD | 405 | \$ 406,013 |
| Health Care Technology 0.8% | | | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | | | 850 | 977,500 |
| Hotels Restaurants & Leisure 1.1% | | | | |
| Icahn Enterprises LP (b): | | | | |
| 7.75%, 1/15/16 | | | 375 | 352,500 |
| 8.00%, 1/15/18 | | | 750 | 705,000 |
| MGM Mirage, 11.13%, 11/15/17 (b) | | | 240 | 259,200 |
| | | | | 1,316,700 |
| Household Durables 0.7% | | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 (b) | | | 715 | 797,225 |
| Household Products 0.1% | | | | |
| Libbey Glass, Inc., 10.00%, 2/15/15 (b) | | | 65 | 67,275 |
| IT Services 0.3% | | | | |
| SunGard Data Systems, Inc., 4.88%, 1/15/14 | | | 383 | 357,626 |
| Independent Power Producers & Energy Traders 2.7% | | | | |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | | | 1,165 | 1,179,562 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | | | 400 | 408,000 |
| NRG Energy, Inc., 7.25%, 2/01/14 | | | 1,700 | 1,712,750 |
| | | | | 3,300,312 |
| Media 2.4% | | | | |

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| | | |
|--|-----------|------------|
| Cablevision Systems Corp., Series B, 8.00%, 4/15/12 | 710 | 748,162 |
| Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b) | 1,160 | 1,190,512 |
| DISH DBS Corp., 7.00%, 10/01/13 | 425 | 434,563 |
| UPC Germany GmbH, 8.13%, 12/01/17 (b) | 500 | 500,000 |
| | | 2,873,237 |
| Paper & Forest Products 1.9% | | |
| NewPage Corp., 11.38%, 12/31/14 | 2,205 | 2,105,775 |
| Verso Paper Holdings LLC, 11.50%, 7/01/14 (b) | 200 | 210,000 |
| | | 2,315,775 |
| Real Estate Investment Trusts (REITs) 0.2% | | |
| Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b) | 290 | 292,900 |
| Software 0.1% | | |
| JDA Software Group, Inc., 8.00%, 12/15/14 (b) | 82 | 84,460 |
| Textiles, Apparel & Luxury Goods 0.5% | | |
| Levi Strauss & Co., 8.63%, 4/01/13 | EUR 450 | 615,809 |
| Wireless Telecommunication Services 1.3% | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | USD 1,500 | 1,524,375 |
| | | 25,827,723 |
| Total Corporate Bonds 21.4% | | |
| Floating Rate Loan Interests (c) | | |
| Aerospace & Defense 0.7% | | |
| Avio SpA: | | |
| Facility B2, 2.36%, 12/15/14 | 2 | 2,030 |
| Facility C2, 2.98%, 12/14/15 | 2 | 2,165 |
| Hawker Beechcraft Acquisition Co. LLC: | | |
| Letter of Credit Facility Deposit, 2.25%, 3/26/14 | 23 | 17,170 |
| Term Loan, 2.23% 2.25%, 3/26/14 | 393 | 289,435 |

Portfolio Abbreviations

| | | | |
|--|--|--------------------------------------|--|
| <p>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:</p> | <p>CAD Canadian Dollar</p> <p>EUR Euro</p> <p>GBP British Pound</p> | <p>TALF</p> <p>USD</p> | <p>Term Asset-Backed Securities Loan Facility</p> <p>US Dollar</p> |
|--|--|--------------------------------------|--|

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Floating Rate Loan Interests (c) | | | |
| Aerospace & Defense (concluded) | | | |
| TASC, Inc.: | | | |
| Tranche A Term Loan, 5.50%, 12/18/14 | USD | 170 | \$ 170,709 |
| Tranche B Term Loan, 5.75%, 12/18/15 | | 330 | 332,200 |
| | | | 813,709 |
| Auto Components 3.1% | | | |
| Affinion Group Holdings, Inc., Tranche B Term Loan, 2.73%, 10/17/12 | | 324 | 314,463 |
| Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14 | | 2,160 | 1,978,226 |
| Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15 | | 563 | 548,176 |
| Exide Technologies Term Loan, 3.91%, 5/15/12 | EUR | 150 | 183,823 |
| Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14 | USD | 759 | 760,974 |
| | | | 3,785,662 |
| Automobiles 0.6% | | | |
| Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13 | | 743 | 691,236 |
| Building Products 2.6% | | | |
| Building Materials Corp. of America: | | | |
| Second Lien Term Loan, 6.00%, 9/15/14 | | 750 | 738,000 |
| Term Loan Advance, 3.00%, 2/22/14 | | 738 | 718,227 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14 | | 1,084 | 1,088,402 |
| Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.67%, 12/04/13 | EUR | 495 | 604,357 |
| | | | 3,148,986 |
| Capital Markets 0.4% | | | |
| Nuveen Investments, Inc., Term Loan, 3.25% 3.32%, 11/13/14 | USD | 523 | 455,141 |
| Chemicals 6.7% | | | |
| Ashland Inc., Term B Borrowing, 7.65%, 5/13/14 | | 493 | 498,714 |
| Chemtura Corp. Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11 | | 850 | 853,719 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, | | | |

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| | | |
|---|--------------|--------------|
| 10/29/14 | 500 | 502,500 |
| Huish Detergents Inc., Tranche B Term Loan, 2.01%, | | |
| 4/26/14 | 234 | 224,915 |
| Matrix Acquisition Corp. (fka MacDermid, Inc.), Tranche B | | |
| Term Loan, 2.23%, 4/12/14 | 1,546 | 1,372,292 |
| Nalco Co., Term Loan, 6.50%, 5/13/16 | 1,219 | 1,227,407 |
| PQ Corp. (fka Niagara Acquisition, Inc.), Original | | |
| Term Loan (First Lien), 3.48% 3.50%, 7/30/14 | 1,233 | 1,128,296 |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, | | |
| 5/15/14 | 700 | 702,100 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | 732 | 741,370 |
| Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%, | | |
| 6/24/10 | 800 | 820,960 |
| | | 8,072,273 |
| Commercial Services & Supplies 3.7% | | |
| ARAMARK Corp.: | | |
| Letter of Credit, 2.11%, 1/26/14 | 53 | 50,085 |
| US Term Loan, 2.13%, 1/26/14 | 798 | 761,571 |
| Advanced Disposal Services, Inc., Term B Loan, 6.00%, | | |
| 1/14/15 | 400 | 400,000 |
| Alliance Laundry Systems LLC, Term Loan, 2.73%, | | |
| 1/27/12 | 525 | 504,219 |
| Casella Waste Systems, Inc, Term B Loan, 7.00%, | | |
| 4/09/14 | 561 | 564,758 |
| Johnson Diversey, Inc. Term Loan B, 5.50%, 11/24/15 | 500 | 503,750 |
| | Par | |
| | (000) | Value |
| Floating Rate Loan Interests (c) | | |
| Commercial Services & Supplies (concluded) | | |
| Synagro Technologies, Inc., Term Loan (First Lien), | | |
| 2.23%, 4/02/14 | USD 982 | \$ 866,121 |
| West Corp., Incremental Term B-3 Loan, 7.25%, | | |
| 10/24/13 | 747 | 754,023 |
| | | 4,404,527 |
| Construction & Engineering 1.1% | | |
| Safway First Out Term Loan, 9.00%, 12/14/17 | 750 | 750,000 |
| Welding Services Term Loan B, 9.35%, 12/16/13 | 548 | 550,878 |
| | | 1,300,878 |
| Consumer Finance 1.6% | | |
| DaimlerChrysler Financial Services Americas LLC, | | |
| Term Loan (First Lien), 4.24%, 8/03/12 | 1,899 | 1,875,102 |

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Containers & Packaging 2.3%

| | | | |
|--|-----|-----|-----------|
| Anchor Glass Term Loan B, 6.00%, 2/18/16 | | 700 | 697,813 |
| Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15 | | 678 | 606,851 |
| Graham Packaging Co., LP, B Term Loan, 2.50%, 10/07/11 | | 683 | 673,872 |
| Smurfit Kappa Acquisitions (JSG): | | | |
| Term B1, 3.77% 4.37%, 7/16/14 | EUR | 306 | 409,740 |
| C1 Term Loan Facility, 4.00% 4.34%, 7/16/15 | | 303 | 405,447 |
| | | | 2,793,723 |

Diversified Consumer Services 2.9%

| | | | |
|--|-----|-------|-----------|
| Coinmach Laundry Corp., Delay Draw Term Loan, 3.23% 3.25%, 11/14/14 | USD | 248 | 218,760 |
| Coinmach Service Corp., Term Loan, 3.26%, 11/14/14 | | 1,474 | 1,274,737 |
| Laureate Education Term Loan B, 7.00%, 8/15/14 | | 1,995 | 1,976,895 |
| | | | 3,470,392 |

Diversified Financial Services 2.2%

| | | | |
|--|--|-------|-----------|
| CIT Group, Inc., Tranche 2A Term Loan, 9.50% 9.75%, 1/20/12 | | 950 | 973,156 |
| Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15 | | 1,700 | 1,710,625 |
| | | | 2,683,781 |

Diversified Telecommunication Services 2.6%

| | | | |
|--|-----|-------|-----------|
| Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12 (d) | | 224 | 191,630 |
| Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 | | 510 | 384,086 |
| Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13 | | 587 | 586,995 |
| Level 3 Communications Incremental Term Loan, 7.59%, 3/13/14 | | 525 | 473,047 |
| US Telepacific Corp. Second Lien Term Loan, 7.75%, 7/25/15 | | 175 | 175,328 |
| Wind Finance SL SA, Euro Facility (Second Lien), 7.67%, 12/17/14 | EUR | 1,000 | 1,356,190 |
| | | | 3,167,276 |

Electrical Equipment 0.4%

| | | | |
|--|-----|-----|---------|
| Baldor Electric Co., Term Loan, 5.25%, 1/31/14 | USD | 539 | 539,322 |
|--|-----|-----|---------|

Electronic Equipment, Instruments & Components 2.1%

| | | | |
|--|--|-----|--------|
| Flextronics International Ltd.: | | | |
| A Closing Date Loan, 2.48% 2.50%, 10/01/14 | | 104 | 97,888 |

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| | | |
|---|-----|-----------|
| Term Loan B, 2.50%, 10/01/12 | 565 | 545,102 |
| L-1 Identity Solutions Operating Co., Term Loan, 6.75%, 8/05/13 | 651 | 651,023 |
| Matinvest 2 SAS/ Butterfly Wendel US, Inc. (Deutsche Connector): | | |
| B-2 Facility, 2.75% , 6/22/14 | 886 | 693,122 |
| C-2 Facility, 3.00% , 6/22/15 | 732 | 572,698 |
| | | 2,559,833 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Floating Rate Loan Interests (c) | | | |
| Energy Equipment & Services 0.4% | | | |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 12/21/16 | USD | 499 | \$ 489,710 |
| Food & Staples Retailing 3.0% | | | |
| AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15 | GBP | 500 | 682,987 |
| Bolthouse Farms, Inc. Term Loan B, 3.75%, 2/04/16 | USD | 500 | 500,000 |
| Pierre Foods Term Loan B, 8.50%, 9/30/14 | | 475 | 473,812 |
| Pilot Travel Centers Term Loan B, 3.50%, 11/18/15 | | 1,000 | 1,004,636 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | | 900 | 932,400 |
| | | | 3,593,835 |
| Food Products 4.3% | | | |
| CII Investment, LLC (fka Cloverhill), Term Loan B, 8.50%, 10/14/14 | | 1,068 | 1,067,857 |
| Dole Food Co., Inc.: | | | |
| Credit-Linked Deposit, 7.89%, 4/12/13 | | 127 | 127,425 |
| Term Loan B, 3.50%, 2/10/17 | | 441 | 441,397 |
| Term Loan C, 5.50%, 2/10/17 | | 1,059 | 1,059,353 |
| Tranche B Term Loan, 8.00%, 4/12/13 | | 222 | 221,599 |
| Pilgrim s Pride Corp. Term Loan A, 5.29%, 12/01/12 | | 450 | 443,250 |
| Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14 | | 1,100 | 1,104,517 |
| Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13 | | 719 | 718,984 |
| | | | 5,184,382 |
| Health Care Equipment & Supplies 1.6% | | | |
| Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15 | | 1,021 | 987,376 |
| DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14 | | 885 | 854,836 |
| Hologic, Inc., Tranche B Term Loan, 3.50%, 3/29/13 | | 35 | 34,341 |
| | | | 1,876,553 |
| Health Care Providers & Services 4.9% | | | |
| CHS/Community Health Systems, Inc.: | | | |
| Delayed Draw Term Loan, 2.50%, 7/25/14 | | 82 | 76,796 |
| Funded Term Loan, 2.48% 2.50%, 7/25/14 | | 1,619 | 1,512,806 |

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| | | |
|--|--------------|--------------|
| DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12 | 200 | 195,325 |
| Fresenius SE: | | |
| Tranche B1 Term Loan, 6.75%, 9/10/14 | 590 | 592,752 |
| Tranche B2 Term Loan, 6.75%, 9/10/14 | 356 | 358,049 |
| HCA Inc., Tranche A-1 Term Loan, 1.75%, 11/16/12 | 2,117 | 1,999,143 |
| Vanguard Health Systems Term Loan B, 5.00%, 1/29/16 | 1,200 | 1,201,500 |
| | | 5,936,371 |
| Health Care Technology 1.1% | | |
| IMS Healthcare Term Loan B, 5.25%, 2/16/16 | 1,300 | 1,305,200 |
| Hotels Restaurants & Leisure 5.7% | | |
| BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 7/18/11 (a)(e) | 1,000 | 685,000 |
| Cedar Fair LP Term Loan B, 4.00%, 2/04/16 | 750 | 748,829 |
| Harrah s Operating Co., Inc.: | | |
| Term B-2 Loan, 3.25%, 1/28/15 | 656 | 529,466 |
| Term B-4 Loan, 9.50%, 10/31/16 | 750 | 747,917 |
| Penn National Gaming, Inc., Term Loan B, 1.98% 2.00%, 10/03/12 | 936 | 916,960 |
| QCE, LLC (Quiznos), Term Loan (Second Lien), 2.56%, 5/05/13 | 183 | 156,492 |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16 | 1,000 | 1,004,375 |
| Six Flags Theme Parks, Inc. Term Loan, 4.50%, 6/13/15 | 1,750 | 1,733,812 |
| VML US Finance LLC (aka Venetian Macau), Term B: | | |
| Delayed Draw Project Loan, 4.76%, 5/25/12 | 151 | 143,500 |
| Funded Project Loan, 4.76%, 5/27/13 | 266 | 253,457 |
| | | 6,919,808 |
| | Par | Value |
| Floating Rate Loan Interests (c) | (000) | |
| Household Durables 0.4% | | |
| Jarden Corp., Term Loan B3, 2.75%, 1/24/12 | USD 441 | \$ 437,210 |
| Household Products 0.2% | | |
| VI-JON, Inc. (VJCS Acquisition, Inc.), Tranche B Term Loan, 2.23%, 4/24/14 | 302 | 289,532 |
| IT Services 4.4% | | |
| Amadeus Global Travel Distribution SA: | | |
| Term Loan B, 2.23%, 5/22/15 | 955 | 907,775 |
| Term Loan C, 2.73%, 5/22/16 | 955 | 907,775 |
| Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14 | 752 | 657,742 |
| First Data Corp.: | | |

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| | | |
|--|-------|-----------|
| Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | 1,022 | 890,863 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | 981 | 853,480 |
| SunGard Data Systems, Inc. (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14 | 1,042 | 1,045,930 |
| | | 5,263,565 |
| Independent Power Producers & Energy Traders 1.4% | | |
| Dynergy Holdings Inc.: | | |
| Term Letter of Credit Facility Term Loan, 3.98%, 4/02/13 | 486 | 473,928 |
| Tranche B Term Loan, 3.98%, 4/02/13 | 39 | 38,151 |
| Texas Competitive Electric Holdings Co., LLC (TXU), Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14 | | |
| | 1,462 | 1,169,414 |
| | | 1,681,493 |
| Industrial Conglomerates 1.1% | | |
| Sequa Corp., Term Loan, 3.51% 3.94%, 12/03/14 | 1,389 | 1,270,284 |
| Insurance 0.6% | | |
| Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14 | 732 | 690,687 |
| Internet & Catalog Retail 0.2% | | |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | 211 | 211,196 |
| Machinery 2.6% | | |
| Accuride Term Loan, 10.00%, 1/31/12 | 460 | 459,042 |
| Bucyrus International Term Loan C, 4.50%, 1/26/16 | 1,000 | 1,005,300 |
| LN Acquisition Corp. (Lincoln Industrial): | | |
| Delayed Draw Term Loan (First Lien), 3.49%, 7/11/14 | 245 | 225,727 |
| Initial US Term Loan (First Lien), 3.49%, 7/11/14 | 637 | 585,769 |
| Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13 | 872 | 870,942 |
| | | 3,146,780 |
| Media 22.4% | | |
| Catalina Marketing Corp., Initial Term Loan, 2.98%, 10/01/14 | 443 | 427,746 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 1,890 | 1,871,500 |
| Cequel Communications, LLC: | | |
| Term Loan, 2.25% 4.25%, 11/05/13 | 532 | 503,975 |
| Tranche B Term Loan, 6.25%, 5/05/14 | 1,016 | 1,017,837 |
| Charter Communications Operating, LLC, New Term Loan, 2.26%, 3/06/14 | 3,125 | 2,914,912 |
| FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15 | 669 | 642,160 |
| HMH Publishing Co. Ltd., Tranche A Term Loan, 5.23%, | | |

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| | | |
|---|-------|---------|
| 6/12/14 | 1,016 | 855,046 |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14 | 739 | 330,222 |
| Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.73% 2.75%, 6/30/14 | 522 | 456,600 |
| Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14 | 500 | 480,078 |
| Intelsat Corp. (fka PanAmSat Corp.): | | |
| Tranche B-2-A Term Loan, 2.73%, 1/03/14 | 241 | 228,844 |
| Tranche B-2-B Term Loan, 2.73%, 1/03/14 | 241 | 228,774 |
| Tranche B-2-C Term Loan, 2.73%, 1/03/14 | 241 | 228,774 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests (c) | | | |
| Media (concluded) | | | |
| Lamar Media Corp.: | | | |
| Series B Incremental Loan, 5.50% 5.75%, 9/28/12 | USD | 382 | \$ 379,472 |
| Series E Incremental Loan, 5.50% 5.75%, 3/31/13 | | 705 | 704,829 |
| Term Loan, 5.50% 5.75%, 9/28/12 | | 942 | 935,401 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): | | | |
| Facility B1, 3.34%, 6/28/15 | EUR | 1,010 | 942,428 |
| Facility C1, 3.59%, 6/30/16 | | 1,010 | 942,428 |
| Local TV Finance, LLC, Term Loan, 2.26%, 5/07/13 | USD | 225 | 194,625 |
| MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16 | | 1,018 | 1,025,898 |
| New Vision Exit Term Loan, 13.00%, 10/01/12 | | 318 | 319,857 |
| Newsday, LLC: | | | |
| Fixed Rate Term Loan, 10.50%, 8/01/13 | | 750 | 801,562 |
| Floating Rate Term Loan, 6.50%, 8/01/13 | | 500 | 501,250 |
| Nielsen Finance LLC: | | | |
| Class B Dollar Term Loan, 3.98%, 5/01/16 | | 1,359 | 1,316,272 |
| Dollar Term Loan, 2.23%, 8/09/13 | | 246 | 231,713 |
| Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15 | | 500 | 502,500 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 1,100 | 1,480,346 |
| Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12 | USD | 1,751 | 1,539,233 |
| TWCC Holding Corp., Term Loan, 7.25%, 9/14/15 | | 1,387 | 1,390,920 |
| UPC Financing Partnership, Facility U, 4.99%, 12/31/17 | EUR | 800 | 1,014,888 |
| Virgin Media Investment Holdings Ltd.: | | | |
| B7 Facility, 4.40%, 9/03/12 | GBP | 223 | 331,051 |
| C Facility, 4.40%, 9/03/12 | | 372 | 553,389 |
| C Facility, 3.58%, 7/17/13 | | 140 | 199,420 |
| Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | USD | 798 | 805,629 |

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| | | |
|--|-----|------------|
| Yell Group Plc TPI Term Loan A, 7.12%, 8/09/11 | 750 | 718,125 |
| | | 27,017,704 |

Multi-Utilities 0.3%

FirstLight Power Resources, Inc. (fka NE Energy, Inc.):

| | | |
|--|-----|---------|
| Synthetic Letter of Credit, 2.81%, 11/01/13 | 35 | 32,767 |
| Term B Advance (First Lien), 2.75%, 11/01/13 | 381 | 355,912 |
| | | 388,679 |

Multiline Retail 2.5%

Dollar General Corp., Tranche B-1 Term Loan,
2.98% 3.00%, 7/07/14

| | | | |
|--|-----|-------|-----------|
| Hema Holding BV, Facility D, 5.42%, 1/01/17 | EUR | 1,800 | 2,058,823 |
| The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13 | USD | 185 | 166,048 |
| | | | 2,982,107 |

Oil, Gas & Consumable Fuels 0.9%

Big West Oil, LLC:

| | | |
|--------------------------------------|-----|-----------|
| Delayed Advance Loan, 4.50%, 5/15/14 | 442 | 433,618 |
| Initial Advance Loan, 4.50%, 5/15/14 | 352 | 344,924 |
| Initial Advance Loan, 9.75%, 1/26/15 | 325 | 326,625 |
| | | 1,105,167 |

Paper & Forest Products 0.9%

Georgia-Pacific LLC, Term Loan B, 2.25% 2.26%,
12/23/12

| | | |
|--|-------|-----------|
| | 1,161 | 1,133,860 |
|--|-------|-----------|

Personal Products 0.5%

American Safety Razor Co., LLC:

| | | |
|--|-----|---------|
| Loan (Second Lien), 6.51%, 1/30/14 | 500 | 292,500 |
| Term Loan (First Lien), 2.75% 2.76%, 7/31/13 | 200 | 181,148 |

Revlon Consumer Products Corp., Term Loan,
4.25% 4.26%, 1/15/12

| | | |
|--|-----|---------|
| | 125 | 123,008 |
| | | 596,656 |

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

Pharmaceuticals 1.6%

Warner Chilcott Co., LLC, Term A Loan, 5.50%,
10/30/14

| | | |
|--|------------|---------|
| | USD 644 \$ | 643,907 |
|--|------------|---------|

Warner Chilcott Corp., Term B-1 Loan, 5.75%, 4/30/15

| | | |
|--|-------|-----------|
| | 1,300 | 1,299,875 |
| | | 1,943,782 |

Professional Services 0.8%

Booz Allen Hamilton, Inc., Tranche B Term Loan, 7.50%,
7/31/15

| | | |
|--|-----|---------|
| | 988 | 993,809 |
|--|-----|---------|

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Real Estate Management & Development 1.0%

Realogy Corp.:

| | | |
|---|-----|-----------|
| Delayed Draw Term B Loan, 3.25%, 10/10/13 | 524 | 461,773 |
| Initial Term B Loan, 3.25%, 10/10/13 | 196 | 173,247 |
| Synthetic LC, 3.23%, 10/10/13 | 53 | 46,644 |
| Term Loan (Second Lien), 13.50%, 10/15/17 | 500 | 543,750 |
| | | 1,225,414 |

Specialty Retail 1.2%

Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan,
2.98%, 10/21/13

326 314,082

General Nutrition Centers, Inc., Term Loan,
2.48% 2.57%, 9/16/13

275 261,452

Michaels Stores, Inc.:

Term Loan B, 2.50% 2.56%, 10/31/13

401 360,854

Term Loan B-1, 4.75% 4.81%, 7/31/16

506 481,689

1,418,077

Textiles, Apparel & Luxury Goods 0.4%

Hanesbrands Inc., New Term Loan, 5.25%, 12/10/15

500 503,750

Wireless Telecommunication Services 2.3%

Digicel International Finance Ltd., Tranche A, 2.81%,
3/30/12

1,579 1,519,967

MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%,
11/03/13

1,266 1,219,301

2,739,268

Total Floating Rate Loan Interests 99.7%

120,106,720

Beneficial

Interest

(000)

Other Interests (f)

Auto Components 0.9%

Delphi Debtor in Possession Holding Co. LLP, Class B

Membership Interests

(g) 1,067,720

Total Other Interests 0.9%

1,067,720

Total Long-Term Investments

(Cost \$146,018,527) 122.2%

147,264,593

Short-Term Securities

Shares

BlackRock Liquidity Funds, TempFund, Institutional

Class, 0.09% (h)(i)

2,618,127 2,618,127

Total Short-Term Securities

(Cost \$2,618,127) 2.2%

2,618,127

Total Investments (Cost \$148,636,654*) 124.4%

149,882,720

Liabilities in Excess of Other Assets (24.4)%

(29,374,669)

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Net Assets 100.0% \$120,508,051

* The cost and unrealized appreciation (depreciation) of investments as of
February 28, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|---------------|
| Aggregate cost | \$148,636,654 |
| Gross unrealized appreciation | \$ 4,177,491 |
| Gross unrealized depreciation | (2,931,425) |
| Net unrealized appreciation | \$ 1,246,066 |

See Notes to Financial Statements.

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

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933.
These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Variable rate security. Rate shown is as of report date.
- (d) Represents a payment-in-kind security which may pay interest /dividend in additional par/shares.
- (e) Issuer filed for bankruptcy and/or is in default of interest payments.
- (f) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (g) Amount is less than \$1,000.
- (h) 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:

| | Net Activity | Income |
|---|-------------------------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | \$ 2,618,127 | \$ 2,405 |

- (i) Represents the current yield as of report date.
Foreign currency exchange contracts as of February 28, 2010 were as follows:

| Currency Purchased | | Currency Sold | Counterparty | Unrealized Settlement Appreciation Date (Depreciation) |
|-------------------------------|-----|--------------------------|--|---|
| USD 11,196,400 | EUR | 7,798,500 | Citibank NA | 3/24/10 \$ 578,030 |
| GBP 810,500 | USD | 1,271,847 | Citibank NA | 4/21/10 (36,487) |
| USD 186,561 | GBP | 119,500 | Citibank NA | 4/21/10 4,420 |
| USD 2,967,636 | GBP | 1,833,000 | Morgan Stanley Capital Services, Inc. | 4/21/10 173,787 |
| Total | | | | \$ 719,750 |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

- Level 1 price quotations inactive markets/exchanges for identical assets and liabilities
- Level 2 other observable inputs (including, but not limited to: quoted prices for

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similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the face value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Fund's investments:

| Investments in Securities | | | | |
|----------------------------------|---------------------|----------------------|---------------------|----------------------|
| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Long-Term | | | | |
| Investments: | | | | |
| Common Stocks | \$ 262,430 | | \$ | 262,430 |
| Corporate Bonds | | \$ 25,814,800 | \$ 12,923 | 25,827,723 |
| Floating Rate | | | | |
| Loan Interests | | 100,198,281 | 19,908,439 | 120,106,720 |
| Other Interests | | | 1,067,720 | 1,067,720 |
| Short-Term | | | | |
| Securities | 2,618,127 | | | 2,618,127 |
| Total | \$ 2,880,557 | \$126,013,081 | \$20,989,082 | \$149,882,720 |

| Other Financial Instruments¹ | | | | |
|--|----------------|------------------|------------------|----------------|
| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
| Assets | | \$756,237 | \$ 7,410 | 763,647 |
| Liabilities | | (36,487) | (16,408) | (52,895) |
| Total | | \$719,750 | \$(8,998) | 710,752 |

¹ Other financial instruments are foreign currency exchange contracts and unfunded loan commitments, which are shown at the unrealized appreciation/depreciation on the instrument.

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

| Investments in Securities | | |
|----------------------------------|----------------------|--------------|
| Corporate | Floating Rate | Other |
| | | |

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| | Bonds | Loan Interests | Interests | Total |
|---|------------------|---------------------|--------------------|---------------------|
| Balance, as of August 31, 2009 | | \$24,495,356 | | \$24,495,356 |
| Accrued discounts/premiums | | | | |
| Realized gain (loss) | | 295,974 | | 295,974 |
| Change in unrealized appreciation/depreciation ² | \$ (70) | 3,033,712 | | 3,033,642 |
| Net purchases (sales) | | (4,905,004) | | (4,905,004) |
| Net transfers in/out of Level 3 | 12,993 | (3,011,599) | \$1,067,720 | (1,930,886) |
| Balance, as of February 28, 2010 | \$ 12,923 | \$19,908,439 | \$1,067,720 | \$20,989,082 |

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on securities

still held at February 28, 2010 was \$859,867.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

| | Other Financial Instruments ³ | |
|--|---|--------------------|
| | Assets | Liabilities |
| Balance, as of August 31, 2009 | \$ 60,517 | |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/depreciation | | |
| Net purchases (sales) | | |
| Net transfers in/out of Level 3 | (53,107) | \$ (16,408) |
| Balance as of February 28, 2010 | \$ 7,410 | \$ (16,408) |

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

Schedule of Investments February 28, 2010 (Unaudited)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Asset-Backed Securities | | |
| North Street Referenced Linked Notes 2000-1 Ltd., Series 2005-8A, Class D, 14.80%, 6/15/41 (a)(b) | USD 1,350 | \$ 513,243 |
| Total Asset-Backed Securities 0.4% | | 513,243 |
| Common Stocks (c) | | |
| Building Products 0.7% | | |
| Masonite Worldwide Holdings | 20,955 | 880,110 |
| Capital Markets 0.2% | | |
| E*Trade Financial Corp. | 143,000 | 230,230 |
| Chemicals 0.1% | | |
| Solutia, Inc. | 5,000 | 70,350 |
| Wellman Holdings, Inc. | 1,613 | 403 |
| | | 70,753 |
| Construction Materials 0.0% | | |
| Nortek, Inc. | 1,570 | 58,090 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. | 176,126 | 12,505 |
| Hotels Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. | 688 | 3,887 |
| Paper & Forest Products 1.1% | | |
| Ainsworth Lumber Co. Ltd. | 311,678 | 654,636 |
| Ainsworth Lumber Co. Ltd. (b) | 349,782 | 734,669 |
| | | 1,389,305 |
| Software 0.2% | | |
| Euramax International | 468 | 14,025 |
| TiVo, Inc. | 21,000 | 199,080 |
| | | 213,105 |
| Total Common Stocks 2.3% | | 2,857,985 |
| Corporate Bonds | | |
| Airlines 0.5% | | |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | USD 300 | 309,000 |
| United Air Lines, Inc., 12.75%, 7/15/12 | 300 | 318,000 |
| | | 627,000 |
| Auto Components 0.0% | | |
| Delphi International Holdings Unsecured, 12.00%, | | |

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| | | | |
|---|-----|--------------|--------------|
| 10/06/14 | | 13 | 12,923 |
| Building Products 2.5% | | | |
| Building Materials Corp. of America, 7.00%, 2/15/20 (b) | | 400 | 400,000 |
| CPG International I, Inc., 7.18%, 7/01/12 (a) | | 2,500 | 2,375,000 |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | | 400 | 406,000 |
| | | | 3,181,000 |
| Capital Markets 0.7% | | | |
| E*Trade Financial Corp., 3.95%, 8/31/19 (b)(d)(e) | | 83 | 126,160 |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 (b) | | 649 | 390,211 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(f) | | 276 | 60,961 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(f) | | 183 | 31,796 |
| MU Finance Plc, 8.75%, 2/01/17 (b) | GBP | 213 | 300,425 |
| | | | 909,553 |
| | | Par | Value |
| Corporate Bonds | | (000) | |
| Chemicals 1.0% | | | |
| Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b) | USD | 300 | \$ 280,500 |
| Wellman Holdings, Inc. (e): | | | |
| Second Lien Subordinate Note, 10.00%, 1/29/19 (b) | | 894 | 894,000 |
| Third Lien Subordinate Note, 5.00%, 1/29/19 (f) | | 286 | 143,190 |
| | | | 1,317,690 |
| Commercial Banks 0.2% | | | |
| Glitnir Banki HF (c)(g): | | | |
| 5.07%, 1/27/10 | EUR | 100 | 35,403 |
| 4.15%, 4/20/10 (b) | USD | 65 | 16,900 |
| 3.00%, 6/30/10 | EUR | 120 | 41,667 |
| 6.38%, 9/25/12 (b) | USD | 365 | 94,900 |
| | | | 188,870 |
| Commercial Services & Supplies 0.5% | | | |
| Clean Harbors, Inc., 7.63%, 8/15/16 | | 400 | 404,000 |
| The Geo Group, Inc., 7.75%, 10/15/17 (b) | | 250 | 253,125 |
| | | | 657,125 |
| Communications Equipment 0.0% | | | |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 (b) | | 50 | 51,000 |
| Construction Materials 0.5% | | | |
| Nortek, Inc., 11.00%, 12/01/13 | | 639 | 670,505 |

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Consumer Finance 1.2%

| | | |
|---|-----|-----------|
| Credit Acceptance Corp., 9.13%, 2/01/17 (b) | 180 | 179,100 |
| Ford Motor Credit Co. LLC, 3.00%, 1/13/12 (a) | 815 | 764,062 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (b) | 600 | 615,000 |
| | | 1,558,162 |

Containers & Packaging 1.6%

| | | | |
|--|-----|-------|-----------|
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 185 | 240,571 |
| Smurfit Kappa Acquisitions (b): | | | |
| 7.25%, 11/15/17 | | 250 | 333,606 |
| 7.75%, 11/15/19 | | 240 | 325,163 |
| Smurfit Kappa Funding Plc, 7.75%, 4/01/15 (h) | USD | 1,000 | 970,000 |
| Solo Cup Co., 10.50%, 11/01/13 | | 130 | 136,175 |
| | | | 2,005,515 |

Diversified Financial Services 2.6%

| | | | |
|---|-----|-------|-----------|
| CIT Group, Inc., 7.00%, 5/01/17 | | 1,455 | 1,285,856 |
| FCE Bank Plc, 7.13%, 1/16/12 | EUR | 400 | 539,869 |
| GMAC Inc., 5.38%, 6/06/11 | | 110 | 146,038 |
| GMAC LLC: | | | |
| 7.25%, 3/02/11 | USD | 37 | 37,324 |
| 6.88%, 9/15/11 | | 150 | 150,000 |
| 6.75%, 12/01/14 | | 400 | 382,000 |
| 8.30%, 2/12/15 (b) | | 120 | 121,050 |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b) | | 400 | 405,000 |
| Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b) | EUR | 200 | 271,653 |
| | | | 3,338,790 |

Diversified Telecommunication Services 1.7%

| | | | |
|--|-----|-------|-----------|
| Cincinnati Bell, Inc., 8.25%, 10/15/17 | USD | 500 | 500,000 |
| PAETEC Holding Corp., 8.88%, 6/30/17 | | 100 | 100,750 |
| Qwest Corp., 8.38%, 5/01/16 | | 500 | 547,500 |
| Windstream Corp., 7.88%, 11/01/17 | | 1,000 | 977,500 |
| | | | 2,125,750 |

Energy Equipment & Services 0.6%

| | | | |
|---|--|-----|---------|
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b) | | 750 | 746,250 |
|---|--|-----|---------|

Food & Staples Retailing 0.1%

| | | | |
|------------------------------------|--|----|---------|
| Duane Reade, Inc., 11.75%, 8/01/15 | | 80 | 100,800 |
|------------------------------------|--|----|---------|

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Corporate Bonds | | |
| Food Products 1.0% | | |
| B&G Foods, Inc., 7.63%, 1/15/18 | USD 300 | \$ 303,000 |
| Bumble Bee Foods LLC, 7.75%, 12/15/15 (b) | 220 | 220,550 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | 640 | 692,800 |
| | | 1,216,350 |
| Health Care Providers & Services 0.4% | | |
| Vanguard Health Holding Co. II LLC, 8.00%, 2/01/18 (b) | 455 | 447,037 |
| Health Care Technology 0.8% | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 890 | 1,023,500 |
| Hotels Restaurants & Leisure 2.4% | | |
| Icahn Enterprises LP (b): | | |
| 7.75%, 1/15/16 | 500 | 470,000 |
| 8.00%, 1/15/18 | 1,000 | 940,000 |
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (b)(c)(g) | 800 | 202,000 |
| MGM Mirage, 11.13%, 11/15/17 (b) | 390 | 421,200 |
| Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b) | 95 | 75,525 |
| Snoqualmie Entertainment Authority, 4.14%, 2/01/14 (a)(b) | 305 | 207,400 |
| Travelport LLC, 4.88%, 9/01/14 (a) | 810 | 753,300 |
| Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (c)(g) | 120 | 75 |
| | | 3,069,500 |
| Household Durables 0.4% | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 (b) | 500 | 557,500 |
| Household Products 0.1% | | |
| Libbey Glass, Inc., 10.00%, 2/15/15 (b) | 65 | 67,275 |
| IT Services 0.7% | | |
| Alliance Data Systems Corp., 1.75%, 8/01/13 (e) | 370 | 342,250 |
| SunGard Data Systems, Inc., 4.88%, 1/15/14 | 549 | 512,629 |
| | | 854,879 |
| Independent Power Producers & Energy Traders 2.5% | | |
| AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29 | 300 | 325,125 |

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| | | |
|--|-------|-----------|
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | 1,200 | 1,215,000 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | 400 | 408,000 |
| NRG Energy, Inc., 7.25%, 2/01/14 | 1,260 | 1,269,450 |
| | | 3,217,575 |

Industrial Conglomerates 1.6%

| | | |
|--------------------------------------|-------|-----------|
| Sequa Corp. (b): 11.75%, 12/01/15 | 720 | 705,600 |
| 13.50%, 12/01/15 (f) | 1,322 | 1,324,873 |
| | | 2,030,473 |

Insurance 0.3%

| | | |
|--|-----|---------|
| USI Holdings Corp., 4.13%, 11/15/14 (a)(b) | 490 | 405,475 |
|--|-----|---------|

Leisure Equipment & Products 0.3%

| | | |
|---------------------------------------|-----|---------|
| Brunswick Corp., 11.25%, 11/01/16 (b) | 370 | 411,625 |
|---------------------------------------|-----|---------|

Machinery 1.4%

| | | |
|---|-----|-----------|
| ESCO Corp., 4.13%, 12/15/13 (a)(b) | 920 | 814,200 |
| RBS Global, Inc., 8.88%, 9/01/16 | 505 | 457,025 |
| Titan International, Inc., 8.00%, 1/15/12 | 460 | 457,700 |
| | | 1,728,925 |

Marine 0.2%

| | | |
|---|-----|---------|
| Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b) | 260 | 264,550 |
|---|-----|---------|

Media 5.2%

| | | |
|---|-------|-----------|
| Affinion Group, Inc., 10.13%, 10/15/13 | 820 | 828,200 |
| CSC Holdings, Inc., 8.50%, 4/15/14 (b) | 180 | 189,225 |
| Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14 | 3,000 | 1,800,000 |

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

Media (concluded)

| | | | |
|--|-----|-------|--------------|
| Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b) | USD | 1,218 | \$ 1,250,040 |
| DISH DBS Corp., 7.00%, 10/01/13 | | 375 | 383,438 |
| Seat Pagine Gialle SpA, 10.50%, 1/31/17 | EUR | 434 | 547,050 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (b) | USD | 400 | 364,500 |
| UPC Germany GmbH, 8.13%, 12/01/17 (b) | | 1,000 | 1,000,000 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 (b) | | 250 | 246,250 |
| | | | 6,608,703 |

Metals & Mining 1.1%

| | | |
|---|-----|-----|
| Aleris International, Inc. (c)(g): 9.00%, 12/15/14 | 370 | 925 |
|---|-----|-----|

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| | | | |
|--|-----|-------|------------|
| 10.00%, 12/15/16 | | 500 | 10,625 |
| RathGibson, Inc., 11.25%, 2/15/14 (c)(g) | | 1,390 | 446,538 |
| Ryerson, Inc., 7.62%, 11/01/14 (a) | | 1,075 | 959,437 |
| | | | 1,417,525 |
| Multiline Retail 0.2% | | | |
| Dollar General Corp., 11.88%, 7/15/17 (f) | | 215 | 249,937 |
| Oil, Gas & Consumable Fuels 0.2% | | | |
| OPTI Canada, Inc., 9.00%, 12/15/12 (b) | | 300 | 305,250 |
| Paper & Forest Products 2.8% | | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(f) | | 686 | 510,897 |
| Clearwater Paper Corp., 10.63%, 6/15/16 (b) | | 190 | 210,900 |
| NewPage Corp.: | | | |
| 10.00%, 5/01/12 | | 550 | 316,250 |
| 11.38%, 12/31/14 | | 2,070 | 1,976,850 |
| Verso Paper Holdings LLC: | | | |
| 11.50%, 7/01/14 (b) | | 160 | 168,000 |
| 4.00%, 8/01/14 (a) | | 455 | 367,413 |
| | | | 3,550,310 |
| Pharmaceuticals 0.6% | | | |
| Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (a) | | 305 | 247,050 |
| Elan Corp. Plc, 8.75%, 10/15/16 (b) | | 295 | 286,150 |
| Novasep Holding SAS, 9.63%, 12/15/16 | EUR | 137 | 172,556 |
| | | | 705,756 |
| Real Estate Investment Trusts (REITs) 0.2% | | | |
| Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b) | USD | 310 | 313,100 |
| Semiconductors & Semiconductor Equipment 0.7% | | | |
| Spanion, Inc., 3.79%, 6/01/13 (b)(c)(g) | | 830 | 821,700 |
| Software 0.0% | | | |
| BMS Holdings, Inc., 7.89%, 2/15/12 (b)(f) | | 488 | 9,759 |
| Specialty Retail 0.3% | | | |
| United Auto Group, Inc., 7.75%, 12/15/16 | | 355 | 338,581 |
| Wireless Telecommunication Services 2.0% | | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | | 1,000 | 1,016,250 |
| Digicel Group Ltd., 9.13%, 1/15/15 (b)(f) | | 1,129 | 1,100,775 |
| iPCS, Inc., 2.37%, 5/01/13 (a) | | 200 | 184,000 |
| Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b) | | 325 | 286,000 |
| | | | 2,587,025 |
| Total Corporate Bonds 39.1% | | | 49,693,243 |
| Floating Rate Loan Interests (a) | | | |
| Aerospace & Defense 0.9% | | | |
| Hawker Beechcraft Term Loan B, 10.50%, 3/26/14 | | 125 | 113,855 |

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TASC, Inc.:

| | | |
|--------------------------------------|-----|-----------|
| Tranche A Term Loan, 5.50%, 12/18/14 | 340 | 341,417 |
| Tranche B Term Loan, 5.75%, 12/18/15 | 660 | 664,400 |
| | | 1,119,672 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests (a) | | | |
| Auto Components 2.8% | | | |
| Affinion Group Holdings, Inc., Tranche B Term Loan, 2.73%, 10/17/12 | USD | 325 | \$ 315,412 |
| Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14 | | 1,920 | 1,758,055 |
| Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15 | | 622 | 606,296 |
| Exide Technologies Term Loan, 3.91%, 5/15/12 | EUR | 150 | 183,824 |
| Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14 | USD | 703 | 704,584 |
| | | | 3,568,171 |
| Automobiles 0.9% | | | |
| Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13 | | 1,218 | 1,134,833 |
| Beverages 0.2% | | | |
| Culligan International Co., Loan (Second Lien), 5.18%, 4/24/13 | EUR | 500 | 281,409 |
| Building Products 2.1% | | | |
| Building Materials Corp. of America: | | | |
| Second Lien Term Loan, 6.00%, 9/15/14 | USD | 750 | 738,000 |
| Term Loan Advance, 3.00%, 2/22/14 | | 748 | 728,487 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14 | | 1,172 | 1,176,650 |
| | | | 2,643,137 |
| Chemicals 4.4% | | | |
| Ashland Inc., Term B Borrowing, 7.65%, 5/13/14 | | 274 | 277,063 |
| Chemtura Corp. Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11 | | 800 | 803,500 |
| Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.25%, 5/31/14 | | 275 | 218,878 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14 | | 400 | 402,000 |
| Huish Detergents Inc., Tranche B Term Loan, 2.01%, 4/26/14 | | 241 | 231,038 |
| Matrix Acquisition Corp. (MacDermid, Inc.), Tranche C Term Loan, 2.63%, 12/15/13 | EUR | 248 | 275,385 |

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| | | | |
|--|-----|-----|-----------|
| Nalco Co., Term Loan, 6.50%, 5/13/16 | USD | 622 | 626,228 |
| PQ Corp. (fka Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.48% 3.50%, 7/30/14 | | 493 | 450,638 |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14 | | 725 | 727,175 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | | 734 | 743,232 |
| Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%, 6/24/10 | | 800 | 820,960 |
| | | | 5,576,097 |

Commercial Services & Supplies 2.8%

| | | | |
|---|--|-----|-----------|
| ARAMARK Corp.: | | | |
| LC Facility Letter of Credit, 2.11%, 1/26/14 | | 39 | 37,004 |
| US Term Loan, 2.13%, 1/26/14 | | 590 | 562,670 |
| Advanced Disposal Services, Inc., Term B Loan, 6.00%, 1/14/15 | | 500 | 500,000 |
| Casella Waste Systems, Inc, Term B Loan, 7.00%, 4/09/14 | | 398 | 400,488 |
| Johnson Diversey, Inc. Term Loan B, 5.50%, 11/24/15 | | 425 | 428,187 |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14 | | 721 | 635,947 |
| West Corp., Incremental Term B-3 Loan, 7.25%, 10/24/13 | | 996 | 1,005,524 |
| | | | 3,569,820 |

Construction & Engineering 1.2%

| | | | |
|---|--|-----|-----------|
| Safway First Out Term Loan, 9.00%, 12/14/17 | | 800 | 800,000 |
| Welding Services Term Loan B, 9.35%, 12/16/13 | | 747 | 751,197 |
| | | | 1,551,197 |

| | | Par | Value |
|--|-----|-------|--------------|
| Floating Rate Loan Interests (a) | | (000) | |
| Consumer Finance 1.5% | | | |
| DaimlerChrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24%, 8/03/12 | USD | 1,970 | \$ 1,944,701 |
| Containers & Packaging 1.3% | | | |
| Anchor Glass Term Loan B, 6.00%, 2/18/16 | | 675 | 668,250 |
| Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15 | | 579 | 517,608 |
| Graham Packaging Co., LP, B Term Loan, 2.50%, 10/07/11 | | 432 | 426,510 |
| | | | 1,612,368 |
| Diversified Consumer Services 2.9% | | | |
| Coinmach Service Corp., Term Loan, 3.25%, 11/14/14 | | 1,719 | 1,487,193 |
| Laureate Education Term Loan B, 7.00%, 8/15/14 | | 2,146 | 2,126,153 |

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| | | | |
|---|--------|-------|-----------|
| | | | 3,613,346 |
| Diversified Financial Services 1.2% | | | |
| CIT Group, Inc., Tranche 2A Term Loan, 9.50% | 9.75%, | | |
| 1/20/12 (f) | | 890 | 911,694 |
| Reynolds Group Holdings Inc., US Term Loan, 6.25%, | | | |
| 11/05/15 | | 600 | 603,750 |
| | | | 1,515,444 |
| Diversified Telecommunication Services 2.1% | | | |
| Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12 | | 323 | 276,798 |
| Hawaiian Telcom Communications, Inc., Tranche C | | | |
| Term Loan, 4.75%, 5/30/14 | | 1,531 | 1,152,257 |
| Integra Telecom Holdings, Inc., Term Loan (First Lien), | | | |
| 10.50%, 8/31/13 | | 546 | 545,459 |
| Level 3 Communications Incremental Term Loan, 7.59%, | | | |
| 3/13/14 | | 550 | 495,573 |
| US Telepacific Corp. Second Lien Term Loan, 7.75%, | | | |
| 7/25/15 | | 225 | 225,422 |
| | | | 2,695,509 |
| Electrical Equipment 0.6% | | | |
| Baldor Electric Co., Term Loan, 5.25%, 1/31/14 | | 711 | 712,341 |
| Energy Equipment & Services 0.4% | | | |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, | | | |
| 4/03/16 | | 547 | 537,026 |
| Food & Staples Retailing 3.7% | | | |
| AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), | | | |
| Facility B1, 3.54%, 7/09/15 | GBP | 750 | 1,024,480 |
| Bolthouse Farms, Inc. Term Loan B, 3.75%, 2/04/16 | USD | 550 | 550,000 |
| Pierre Foods Term Loan B, 8.50%, 9/30/14 | | 304 | 303,240 |
| Pilot Travel Centers Term Loan B, 3.50%, 11/18/15 | | 1,500 | 1,506,954 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | | 900 | 932,400 |
| SUPERVALU Inc., Term B Advance, 1.48%, 6/02/12 | | 331 | 321,020 |
| | | | 4,638,094 |
| Food Products 3.8% | | | |
| CII Investment, LLC (fka Cloverhill), Term Loan B, 8.50%, | | | |
| 10/14/14 | | 904 | 903,571 |
| Dole Food Co., Inc.: | | | |
| Credit-Linked Deposit, 7.89%, 4/12/13 | | 86 | 86,311 |
| Term Loan B, 3.50%, 2/10/17 | | 441 | 441,397 |
| Term Loan C, 5.50%, 2/10/17 | | 1,059 | 1,059,353 |
| Tranche B Term Loan, 8.00%, 4/12/13 | | 150 | 150,099 |
| Pilgrim's Pride Corp. Term Loan A, 5.29%, 12/01/12 | | 500 | 492,500 |

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| | | | |
|---|-----|-------|-----------|
| Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14 | | 1,200 | 1,204,928 |
| Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13 | | 487 | 487,000 |
| | | | 4,825,159 |
| Health Care Equipment & Supplies 1.0% | | | |
| Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15 | USD | 672 | 649,587 |
| DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14 | | 664 | 641,127 |
| Hologic, Inc., Tranche B Term Loan, 3.50%, 3/29/13 | | 35 | 34,341 |
| | | | 1,325,055 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|-----------|
| Floating Rate Loan Interests (a) | | |
| Health Care Providers & Services 4.0% | | |
| CCS Medical, Inc. (Chronic Care), Loan (Debtor in Possession), 13.00%, 3/31/10 | USD 31 | \$ 31,247 |
| CHS/Community Health Systems, Inc.: | | |
| Delayed Draw Term Loan, 2.50%, 7/25/14 | 97 | 90,610 |
| Funded Term Loan, 2.48% -2.50%, 7/25/14 | 1,894 | 1,769,921 |
| DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12 | 300 | 292,988 |
| Fresenius SE: | | |
| Tranche B1 Term Loan, 6.75%, 9/10/14 | 99 | 99,832 |
| Tranche B2 Term Loan, 6.75%, 9/10/14 | 69 | 69,658 |
| HCA Inc.: | | |
| Tranche A-1 Term Loan, 1.75%, 11/16/12 | 1,482 | 1,399,840 |
| Tranche B-1 Term Loan, 2.50%, 11/18/13 | 387 | 367,453 |
| Vanguard Health Systems Term Loan B, 5.00%, 1/29/16 | 1,000 | 1,001,250 |
| | | 5,122,799 |
| Health Care Technology 1.0% | | |
| IMS Healthcare Term Loan B, 5.25%, 2/16/16 | 1,200 | 1,204,800 |
| Hotels Restaurants & Leisure 5.1% | | |
| Cedar Fair LP Term Loan B, 4.00%, 2/04/16 | 750 | 748,828 |
| Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.50%, 8/16/14 | 500 | 50,000 |
| Harrah's Operating Co., Inc., Term B-4 Loan, 9.50%, 10/31/16 | 1,500 | 1,495,833 |
| Lake at Las Vegas Joint Venture / LLV-1, LLC (c)(g): | | |
| Mezzanine, 20.00%, 10/01/10 | 2 | 25 |
| Revolving Loan Credit-Linked Deposit Account, 14.35%, 6/20/12 | 120 | 1,204 |
| Term Loan, 14.35%, 6/20/12 | 1,312 | 13,114 |
| QCE, LLC (Quiznos), Term Loan (Second Lien), 2.56%, 5/05/13 | 172 | 147,062 |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16 | 1,000 | 1,004,375 |
| Six Flags Theme Parks, Inc. Term Loan, 4.50%, 6/13/15 | 1,750 | 1,733,812 |
| Universal City Development Term Loan B, 7.75%, 11/06/14 | 750 | 754,219 |

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VML US Finance LLC (aka Venetian Macau) Term B:

| | | |
|---|-----|-----------|
| Delayed Draw Project Loan, 4.76%, 5/25/12 | 64 | 60,525 |
| Funded Project Loan, 4.76%, 5/27/13 | 458 | 436,016 |
| | | 6,445,013 |

Household Durables 0.8%

American Residential Services LLC, Term Loan

| | | |
|------------------------------------|-------|---------|
| (Second Lien), 12.00%, 4/17/15 (f) | 1,030 | 991,654 |
|------------------------------------|-------|---------|

IT Services 3.3%

Audio Visual Services Group, Inc.:

| | | |
|--|-----|---------|
| Loan (Second Lien) 5.76%, 8/28/14 | 539 | 53,852 |
| Tranche B Term Loan (First Lien), 2.51%, 2/28/14 | 746 | 522,328 |

Ceridian Corp., US Term Loan, 3.23% 3.25%,

| | | |
|----------|-----|---------|
| 11/09/14 | 989 | 864,426 |
|----------|-----|---------|

First Data Corp.:

| | | |
|---|-------|-----------|
| Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | 2,123 | 1,851,073 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | 121 | 104,942 |

SunGard Data Systems, Inc. (Solar Capital Corp.):

| | | |
|--|-----|-----------|
| Incremental Term Loan, 6.75%, 2/28/14 | 497 | 499,222 |
| Tranche B US Term Loan, 3.86% 3.87%, 2/28/16 | 323 | 314,438 |
| | | 4,210,281 |

Independent Power Producers & Energy Traders 1.4%

Dynegy Holdings Inc.:

| | | |
|---|-----|---------|
| Term Letter of Credit Facility Term Loan, 3.98%, 4/02/13 | 694 | 677,261 |
| Tranche B Term Loan, 3.98%, 4/02/13 | 56 | 54,519 |

Texas Competitive Electric Holdings Co., LLC (TXU):

| | | |
|---|-------|-----------|
| Initial Tranche B-1 Term Loan, 3.73% 3.75%, 10/10/14 | 1,097 | 881,518 |
| Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14 | 231 | 185,477 |
| | | 1,798,775 |

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Floating Rate Loan Interests (a) | | | |
| Industrial Conglomerates 0.4% | | | |
| Sequa Corp., Term Loan, 3.51% -3.94%, 12/03/14 | USD | 522 | \$ 477,602 |
| Insurance 0.4% | | | |
| Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14 | | 489 | 461,258 |
| Internet & Catalog Retail 0.3% | | | |
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | | 422 | 422,391 |
| Machinery 1.9% | | | |

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| | | | |
|--|-----|-------|-----------|
| Accuride Term Loan, 10.00%, 1/31/12 | | 460 | 459,042 |
| Bucyrus International Term Loan C, 4.50%, 1/26/16 | | 1,000 | 1,005,300 |
| Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13 | | 999 | 998,059 |
| | | | 2,462,401 |
| Media 18.8% | | | |
| Affinion Group Holdings, Inc., Loan, 7.89%, 3/01/12 (f) | | 864 | 816,416 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 1,495 | 1,480,000 |
| Gequel Communications, LLC: Term Loan, 2.25% 4.25%, 11/05/13 | | 283 | 267,988 |
| Tranche A Term Loan, (Second Lien)4.75%, 5/05/14 | | 2,000 | 1,948,200 |
| Charter Communications Operating, LLC, New Term Loan, 2.23%, 3/06/14 | | 3,200 | 2,984,870 |
| EB Sports Corp., Loan, 11.50%, 5/01/12 | | 428 | 397,803 |
| Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11 | | 1,939 | 543,007 |
| HMH Publishing Co. Ltd.: Mezzanine, 17.50%, 11/14/14 (f) | | 252 | 31,102 |
| Tranche A Term Loan, 5.23%, 6/12/14 | | 800 | 672,786 |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14 | | 744 | 332,449 |
| Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14 | | 475 | 456,074 |
| Intelsat Corp. (fka PanAmSat Corp.): Tranche B-2-A Term Loan, 2.73%, 1/03/14 | | 166 | 158,061 |
| Tranche B-2-B Term Loan, 2.73%, 1/03/14 | | 166 | 158,013 |
| Tranche B-2-C Term Loan, 2.73%, 1/03/14 | | 166 | 158,013 |
| Lamar Media Corp.: Series B Incremental Loan, 5.50% 5.75%, 9/28/12 | | 540 | 535,725 |
| Series E Incremental Loan, 5.50% 5.75%, 3/31/13 | | 235 | 234,943 |
| Term Loan, 5.50% 5.75%, 9/28/12 | | 1,155 | 1,146,516 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG), Facility B1, 3.34%, 6/30/15 | EUR | 337 | 314,143 |
| Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | USD | 499 | 498,122 |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | 2,000 | 2,137,500 |
| Nielsen Finance LLC: | | | |

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| | | | |
|---|-----|-------|-----------|
| Class B Dollar Term Loan, 3.98%, 5/01/16 | | 1,028 | 995,348 |
| Dollar Term Loan, 2.23%, 8/09/13 | | 590 | 555,627 |
| Penton Media, Inc.: | | | |
| Loan (Second Lien), 9.25%, 2/01/14 (c)(g) | | 1,000 | 133,333 |
| Term Loan (First Lien), 2.48% 2.50%, 2/01/13 | | 973 | 709,925 |
| Sinclair Television Group, Inc., Tranche B Term Loan, | | | |
| 6.50%, 10/29/15 | | 750 | 753,750 |
| Springer Science+Business Media SA, Facility A1, | | | |
| 6.75%, 7/01/16 | EUR | 1,000 | 1,345,769 |
| Sunshine Acquisition Ltd. (aka HIT Entertainment), | | | |
| Term Facility, 2.50%, 3/20/12 | USD | 825 | 725,313 |
| TWCC Holding Corp., Term Loan, 7.25%, 9/14/15 | | | |
| | | 494 | 494,980 |
| United Pan Europe Communications, Term Loan, 3.93%, | | | |
| 12/30/16 | | 1,000 | 972,000 |
| Virgin Media Investment Holdings Ltd., C Facility, 3.58%, | | | |
| 7/17/13 | GBP | 570 | 811,923 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests (a) | | | |
| Media (concluded) | | | |
| Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | USD | 349 | \$ 352,771 |
| Yell Group Plc TPI Term Loan A, 7.12%, 8/09/11 | | 750 | 718,125 |
| | | | 23,840,595 |
| Metals & Mining 1.7% | | | |
| Euramax International, Inc., Domestic Term Loan: 10.00%, 6/29/13 | | 643 | 521,067 |
| 14.00%, 6/29/13 (f) | | 659 | 533,769 |
| RathGibson, Inc., Loan (Debtor in Possession), 10.75%, 6/30/10 | | 1,148 | 1,147,507 |
| | | | 2,202,343 |
| Multi-Utilities 0.4% | | | |
| FirstLight Power Resources, Inc. (fka NE Energy, Inc): Synthetic Letter of Credit, 2.81%, 11/01/13 | | 46 | 42,597 |
| Term B Advance (First Lien), 2.75%, 11/01/13 | | 496 | 462,685 |
| | | | 505,282 |
| Multiline Retail 1.9% | | | |
| Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14 | | 640 | 615,941 |
| Hema Holding BV, Facility D, 5.42%, 1/01/17 | EUR | 1,400 | 1,601,307 |
| The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13 | USD | 195 | 175,024 |
| | | | 2,392,272 |
| Oil, Gas & Consumable Fuels 1.8% | | | |
| Big West Oil, LLC: | | | |
| Delayed Advance Loan, 4.50%, 5/15/14 | | 363 | 355,418 |
| Initial Advance Loan, 4.50%, 5/15/14 | | 288 | 282,559 |
| Initial Advance Loan, 9.75%, 1/26/15 | | 325 | 326,625 |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (f) | | 1,760 | 1,320,358 |
| | | | 2,284,960 |
| Paper & Forest Products 0.6% | | | |
| Georgia-Pacific LLC, Term Loan B, 2.25% 2.26%, 12/23/12 | | 738 | 721,118 |
| Personal Products 0.4% | | | |

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American Safety Razor Co., LLC:

| | | |
|--|-----|---------|
| Loan (Second Lien), 6.51%, 1/30/14 | 325 | 190,125 |
| Term Loan (First Lien), 2.75% 2.76%, 7/31/13 | 225 | 203,777 |

Revlon Consumer Products Corp., Term Loan,

| | | |
|----------------------|-----|---------|
| 4.25% 4.26%, 1/15/12 | 150 | 147,610 |
| | | 541,512 |

Pharmaceuticals 1.3%

| | | |
|--|-------|-----------|
| Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14 | 542 | 542,237 |
| Warner Chilcott Corp., Term B-1 Loan, 5.75%, 4/30/15 | 1,153 | 1,152,279 |
| | | 1,694,516 |

Professional Services 0.8%

| | | |
|--|-------|-----------|
| Booz Allen Hamilton, Inc., Term Loan C, 6.00%, 7/31/15 | 1,000 | 1,003,125 |
|--|-------|-----------|

Real Estate Management & Development 1.0%

Realogy Corp.:

| | | |
|---|-----|-----------|
| Delayed Draw Term B Loan, 3.25%, 10/10/13 | 549 | 483,763 |
| Initial Term B Loan, 3.25%, 10/10/13 | 196 | 173,247 |
| Synthetic Letter of Credit, 3.23%, 10/10/13 | 53 | 46,643 |
| Term Loan (Second Lien), 13.50%, 10/15/17 | 500 | 543,750 |
| | | 1,247,403 |

Specialty Retail 0.6%

Michaels Stores, Inc.:

| | | |
|-------------------------------------|-----|---------|
| Term Loan B, 2.50% 2.56%, 10/31/13 | 280 | 252,095 |
| Term Loan B-1, 4.75% 4.81%, 7/31/16 | 516 | 491,915 |
| | | 744,010 |

Textiles, Apparel & Luxury Goods 0.3%

| | | |
|--|-----|---------|
| Hanesbrands Inc., New Term Loan, 5.25%, 12/10/15 | 400 | 403,000 |
|--|-----|---------|

| | Par (000) | Value |
|--|--------------|-------------|
| Floating Rate Loan Interests (a) | | |
| Wireless Telecommunication Services 0.7% | | |
| Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12 | USD 175 | \$ 168,438 |
| MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13 | 748 | 720,716 |
| | | 889,154 |
| Total Floating Rate Loan Interests 82.7% | | 104,929,643 |

| | Beneficial Interest (000) | |
|-----------------------------|---------------------------------|--|
| Other Interests (i) | | |
| Auto Components 0.9% | | |

Delphi Debtor in Possession Holding Co. LLP, Class B

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| | | |
|--|------------------|---------------|
| Membership Interests | (j) | 1,067,720 |
| Intermet Liquidating Trust, Class A | 417 | 121,477 |
| | | 1,189,197 |
| Diversified Financial Services 0.5% | | |
| J.G. Wentworth LLC Preferred Equity Interests | (j) | 573,521 |
| Hotels Restaurants & Leisure 0.0% | | |
| Buffets, Inc. | 360 | 36 |
| Household Durables 0.3% | | |
| Stanley Martin, Class B Membership Units | 1 | 375,000 |
| Total Other Interests 1.7% | | 2,137,754 |
| Warrants (k) | Shares | |
| Hotels Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. (expires 4/29/14) | 304 | 3 |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Turbo Cayman Ltd. (no expiration) | 1 | |
| Total Warrants 0.0% | | 3 |
| Total Long-Term Investments | | |
| (Cost \$180,489,619) 126.2% | | 160,131,871 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class 0.09% (l)(m) | 1,615,121 | 1,615,121 |
| Total Short-Term Securities | | |
| (Cost \$1,615,121) 1.3% | | 1,615,121 |
| Options Purchased | Contracts | |
| Over-the-Counter Call Options 0.0% | | |
| Marsico Parent Superholdco LLC, Strike Price \$942.86, Expires 12/21/19, Broker Goldman Sachs Bank USA | 13 | 2,470 |
| Total Options Purchased (Cost \$12,711) 0.0% | | 2,470 |
| Total Investments (Cost \$182,117,451*) 127.5% | | 161,749,462 |
| Liabilities in Excess of Other Assets (27.5)% | | (34,852,999) |
| Net Assets 100.0% | | \$126,896,463 |

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Diversified Income Strategies Fund, Inc. (DVF)

* The cost and unrealized appreciation (depreciation) of investments as of

February 28, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$182,793,594 |
| Gross unrealized appreciation | \$ 4,887,935 |
| Gross unrealized depreciation | (25,868,167) |
| Net unrealized depreciation | \$ (20,980,232) |

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

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

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

(c) Non-income producing security.

(d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(e) Convertible security.

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

(g) Issuer filed for bankruptcy and/or is in default of interest payments.

(h) All or a portion of security has been pledged as collateral in connection with swaps.

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

(j) Amount is less than \$1,000.

(k) 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.

(l) 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 | Income |
|---|-----------------|---------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | \$ (756,457) | \$2,200 |

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

Foreign currency exchange contracts as of February 28, 2010 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Date | Settlement Unrealized Appreciation |
|-----------------------|------------------|--------------------------------|---------|---------------------------------------|
| USD 6,887,624 | EUR 4,822,000 | Citibank NA | 3/24/10 | \$ 322,031 |
| USD 693,072 | CAD 725,000 | Goldman Sachs International | 4/21/10 | 4,104 |
| USD 156,898 | GBP 100,500 | Citibank NA | 4/21/10 | 3,717 |
| USD 337,184 | GBP 209,000 | Deutsche Bank AG | 4/21/10 | 18,627 |

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| | | | | | | |
|--------------|-----------|-----|---------|--|---------|------------|
| USD | 1,062,877 | GBP | 656,500 | Morgan Stanley Capital Service, Inc. | 4/21/10 | 62,243 |
| Total | | | | | | \$ 410,722 |

Interest rate swaps outstanding as of February 28, 2010 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Depreciation |
|--------------------|----------------------|---------------------------|-------------------|------------------------------|--------------------------------|
| 4.82% ¹ | 3-month LIBOR | JPMorgan Chase Bank NA | January 2013 | USD 20,000 | \$ (1,842,608) |

¹ Pays fixed interest rate and receives floating rate.

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2010 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Depreciation |
|-----------------|-----------------------|---------------------------|-------------------|------------------------------|--------------------------------|
| Brunswick Corp. | 5.00% | Goldman Sachs Bank USA | September 2014 | USD 100 | \$ (2,826) |

Credit default swaps on trade index sold protection outstanding as of February 28, 2010 were as follows:

| Index | Receive Fixed Rate | Counter-party | Expiration | Credit Rating² | Notional Amount (000)³ | Unrealized Depreciation |
|-----------------------|---------------------------|--|-------------------|----------------------------------|--|--------------------------------|
| Aces High Yield Index | 5.00% | Morgan Stanley Capital Services, Inc. | March 2010 | CCC | USD 6,736 | \$ (148,600) |

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010 were as follows:

| Issuer | Receive Fixed Rate | Counter-party | Expiration | Credit Rating⁴ | Notional Amount (000)³ | Unrealized Depreciation |
|--------------------------------|---------------------------|----------------------|-------------------|----------------------------------|--|--------------------------------|
| BAA Ferrovial Junior Term Loan | 2.00% | Deutsche Bank AG | March 2012 | A | GBP 300 | \$ (31,565) |

² Using Standard & Poor's weighted average ratings of the underlying securities in the index.

³ The maximum potential amount the Fund may pay should a negative credit

event take place under the terms of the agreement. See Note 2 of the Notes to Financial Statements.

4 Using Standard & Poor's rating of the issuer.

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

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

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

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the face value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Diversified Income Strategies Fund, Inc. (DVF)

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Fund's investments:

Investments in Securities

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------------------|----------------------|----------------------|----------------------|
| Assets: | | | | |
| Long-Term | | | | |
| Investments: | | | | |
| Asset-Backed | | | | |
| Securities | | | \$ 513,243 | \$ 513,243 |
| Common Stocks | \$ 2,050,798 | \$ 734,669 | 72,518 | 2,857,985 |
| Corporate Bonds | | 48,607,728 | 1,085,515 | 49,693,243 |
| Floating Rate | | | | |
| Loan Interests | | 83,082,162 | 21,847,481 | 104,929,643 |
| Other Interests | | | 2,137,754 | 2,137,754 |
| Warrants | | | 3 | 3 |
| Short-Term | | | | |
| Securities | 1,615,121 | | | 1,615,121 |
| Total | \$ 3,665,919 | \$132,424,559 | \$ 25,656,514 | \$161,746,992 |

Other Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|-----------------------|--------------------|--------------------|
| Assets | | \$ 413,192 | \$ 3,737 | \$ 416,929 |
| Liabilities | | (2,025,599) | (16,408) | (2,042,007) |
| Total | | \$ (1,612,407) | \$ (12,671) | (1,625,078) |

¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

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

| | Investments in Securities | | | | | | Total |
|--------------------------------|---------------------------|---------------|-----------------|--------------------|-----------------|----------|--------------|
| | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan | | Warrants | |
| | | | | Rate Interests | Other Interests | | |
| Balance, as of August 31, 2009 | \$ 528,255 | \$ 5,436 | 1,033,683 | \$ 25,553,048 | \$ 228,602 | \$ 3 | \$27,349,027 |
| Accrued discounts/premiums | | | | | | | |
| Realized gain (loss) | | | (4,207) | (5,829,137) | (7,383) | | (5,840,727) |

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| | | | | | | |
|---|------------|-----------|-----------|--------------|-----------|-------------------|
| Change in unrealized appreciation/depreciation ² | (15,012) | 13,808 | 4,207 | 9,588,838 | 352,338 | 9,944,179 |
| Net purchases (sales) | | | 3,506 | (9,421,534) | | (9,418,028) |
| Net transfers in/out of Level 3 | | 53,274 | 48,326 | 1,956,266 | 1,564,197 | 3,622,063 |
| | | | \$ | | \$ | |
| Balance, as of February 28, 2010 | \$ 513,243 | \$ 72,518 | 1,085,515 | \$21,847,481 | 2,137,754 | \$ 3 \$25,656,514 |

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on securities

still held at February 28, 2010 was \$6,059,889.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

| | Other Financial Instruments³ | |
|--|--|--------------------|
| | Assets | Liabilities |
| Balance, as of August 31, 2009 | \$ 38,010 | |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/depreciation | | |
| Net purchases (sales) | | |
| Net transfers in/out of Level 3 | (34,273) | \$ (16,408) |
| Balance as of February 28, 2010 | \$ 3,737 | \$ (16,408) |

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments February 28, 2010 (Unaudited)

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

(Percentages shown are based on Net Assets)

| Common Stocks (a) | Shares | Value |
|--|---------------|--------------|
| Building Products 0.6% | | |
| Masonite Worldwide Holdings | USD 33,758 | \$ 1,417,836 |
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. | 13,117 | 5,036 |
| Wellman Holdings, Inc. | 430 | 107 |
| | | 5,143 |
| Construction Materials 0.0% | | |
| Nortek, Inc. | 1,540 | 56,980 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. | 71,654 | 5,088 |
| Energy Equipment & Services 0.1% | | |
| Trico Marine Services, Inc. | 119,185 | 308,689 |
| Paper & Forest Products 0.2% | | |
| Ainsworth Lumber Co. Ltd. | 136,289 | 286,256 |
| Ainsworth Lumber Co. Ltd. (b) | 152,951 | 321,252 |
| Western Forest Products, Inc. (b) | 84,448 | 17,657 |
| | | 625,165 |
| Total Common Stocks 0.9% | | 2,418,901 |
| | Par | |
| | (000) | |
| Corporate Bonds | | |
| Airlines 0.2% | | |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 600 | 618,000 |
| Auto Components 0.0% | | |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | 32 | 32,306 |
| Building Products 2.1% | | |
| CPG International I, Inc.: | | |
| 7.18%, 7/01/12 (c) | 3,500 | 3,325,000 |
| 10.50%, 7/01/13 | 2,300 | 2,254,000 |
| | | 5,579,000 |
| Capital Markets 0.3% | | |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 (b) | 1,048 | 630,110 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(d) | 447 | 98,895 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(d) | 292 | 50,734 |
| | | 779,739 |

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Chemicals 0.5%

GEO Specialty Chemicals, Inc.:

| | | |
|-----------------------|-----|---------|
| 7.50%, 3/31/15 (b)(e) | 857 | 557,042 |
| 10.00%, 3/31/15 | 844 | 548,704 |

Wellman Holdings, Inc. Third Lien Subordinate Note,

| | | |
|-----------------------|-----|-----------|
| 5.00%, 1/29/19 (d)(e) | 451 | 226,366 |
| | | 1,332,112 |

Commercial Services & Supplies 0.5%

| | | |
|--|-----|-----------|
| Clean Harbors, Inc., 7.63%, 8/15/16 | 800 | 808,000 |
| The Geo Group, Inc., 7.75%, 10/15/17 (b) | 550 | 556,875 |
| | | 1,364,875 |

Communications Equipment 0.1%

Brocade Communications Systems, Inc., 6.88%,

| | | |
|-------------|-----|---------|
| 1/15/20 (b) | 105 | 107,100 |
|-------------|-----|---------|

Construction Materials 0.6%

| | | |
|--------------------------------|-------|-----------|
| Nortek, Inc., 11.00%, 12/01/13 | 1,547 | 1,624,186 |
|--------------------------------|-------|-----------|

Consumer Finance 0.6%

| | | |
|---|-------|-----------|
| Credit Acceptance Corp., 9.13%, 2/01/17 (b) | 360 | 358,200 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (b) | 1,225 | 1,255,625 |
| | | 1,613,825 |

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

Corporate Bonds

Containers & Packaging 2.8%

| | | | |
|--|-----|-------|--------------|
| Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b) | USD | 1,600 | \$ 1,596,000 |
| Clondalkin Acquisition BV, 2.25%, 12/15/13 (b)(c) | | 4,000 | 3,570,000 |
| Crown European Holdings SA, 6.25%, 9/01/11 | EUR | 15 | 20,833 |
| Owens Brockway Glass Container, Inc., 6.75%, 12/01/14 | | 143 | 194,717 |
| Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b) | USD | 730 | 581,262 |
| Smurfit Kappa Acquisitions (b): | | | |
| 7.25%, 11/15/17 | EUR | 525 | 700,572 |
| 7.75%, 11/15/19 | | 500 | 677,424 |
| | | | 7,340,808 |

Diversified Financial Services 2.6%

| | | | |
|---|-----|-------|-----------|
| CIT Group, Inc., 7.00%, 5/01/17 | USD | 2,990 | 2,642,412 |
| FCE Bank Plc, 7.13%, 1/16/12 | EUR | 900 | 1,214,706 |
| GMAC, Inc., 2.45%, 12/01/14 (c) | USD | 1,675 | 1,432,956 |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b) | | 800 | 810,000 |
| Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b) | EUR | 400 | 543,306 |

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| | | | |
|--|-----|-------|-----------|
| | | | 6,643,380 |
| Diversified Telecommunication Services 1.7% | | | |
| Cincinnati Bell, Inc., 8.25%, 10/15/17 | USD | 1,100 | 1,100,000 |
| PAETEC Holding Corp., 8.88%, 6/30/17 | | 225 | 226,687 |
| Qwest Communications International, Inc., 8.00%, 10/01/15 (b) | | 600 | 621,000 |
| Qwest Corp., 8.38%, 5/01/16 | | 540 | 591,300 |
| Windstream Corp., 7.88%, 11/01/17 | | 2,000 | 1,955,000 |
| | | | 4,493,987 |
| Energy Equipment & Services 0.5% | | | |
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b) | | 1,250 | 1,243,750 |
| Food & Staples Retailing 0.1% | | | |
| AmeriQual Group LLC, 9.50%, 4/01/12 (b) | | 250 | 225,000 |
| Food Products 1.0% | | | |
| B&G Foods, Inc., 7.63%, 1/15/18 | | 600 | 606,000 |
| Bumble Bee Foods LLC, 7.75%, 12/15/15 (b) | | 450 | 451,125 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | | 1,500 | 1,623,750 |
| | | | 2,680,875 |
| Health Care Equipment & Supplies 0.5% | | | |
| DJO Finance LLC, 10.88%, 11/15/14 | | 1,245 | 1,332,150 |
| Health Care Providers & Services 1.5% | | | |
| Tenet Healthcare Corp. (b): | | | |
| 9.00%, 5/01/15 | | 175 | 183,313 |
| 8.88%, 7/01/19 | | 2,530 | 2,669,150 |
| Vanguard Health Holding Co. II LLC, 8.00%, 2/01/18 (b) | | 925 | 908,812 |
| | | | 3,761,275 |
| Health Care Technology 0.8% | | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | | 1,860 | 2,139,000 |
| Hotels Restaurants & Leisure 1.2% | | | |
| Icahn Enterprises LP (b): | | | |
| 7.75%, 1/15/16 | | 1,000 | 940,000 |
| 8.00%, 1/15/18 | | 2,000 | 1,880,000 |
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(f) | | 1,565 | 395,163 |
| | | | 3,215,163 |
| Household Durables 0.5% | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 (b) | | 1,200 | 1,338,000 |
| Independent Power Producers & Energy Traders 1.2% | | | |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | | 1,000 | 1,012,500 |
| NRG Energy, Inc., 7.25%, 2/01/14 | | 2,155 | 2,171,163 |
| | | | 3,183,663 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Industrial Conglomerates 0.9% | | | |
| Sequa Corp. (b): | | | |
| 11.75%, 12/01/15 | USD | 640 | \$ 627,200 |
| 13.50%, 12/01/15 (d) | | 1,757 | 1,761,729 |
| | | | 2,388,929 |
| Machinery 0.6% | | | |
| Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (b) | | 1,880 | 1,630,900 |
| Marine 0.2% | | | |
| Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b) | | 530 | 539,275 |
| Media 4.0% | | | |
| Affinion Group, Inc., 10.13%, 10/15/13 | | 1,050 | 1,060,500 |
| CSC Holdings, Inc., 8.50%, 4/15/14 (b) | | 420 | 441,525 |
| Cablevision Systems Corp., Series B, 8.00%, 4/15/12 | | 975 | 1,027,406 |
| Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b) | | 2,520 | 2,586,292 |
| DISH DBS Corp., 7.00%, 10/01/13 | | 925 | 945,813 |
| Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b) | EUR | 893 | 1,125,613 |
| UPC Germany GmbH, 8.13%, 12/01/17 (b) | USD | 2,000 | 2,000,000 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 (b) | | 1,250 | 1,231,250 |
| | | | 10,418,399 |
| Metals & Mining 0.4% | | | |
| FMG Finance Property Ltd., 4.25%, 9/01/11 (b)(c) | | 265 | 261,025 |
| Ryerson, Inc., 7.62%, 11/01/14 (c) | | 900 | 803,250 |
| | | | 1,064,275 |
| Multiline Retail 0.2% | | | |
| Dollar General Corp., 11.88%, 7/15/17 (d) | | 445 | 517,313 |
| Paper & Forest Products 0.8% | | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) | | 1,205 | 897,911 |
| NewPage Corp., 10.00%, 5/01/12 | | 610 | 350,750 |
| Verso Paper Holdings LLC, Series B, 4.00%, 8/01/14 (c) | | 910 | 734,825 |
| | | | 1,983,486 |
| Pharmaceuticals 0.9% | | | |
| Angiotech Pharmaceuticals, Inc., 4.00%, 12/01/13 (c) | | 605 | 490,050 |
| Elan Finance Plc, 4.25%, 11/15/11 (c) | | 1,820 | 1,747,200 |
| | | | 2,237,250 |

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Semiconductors & Semiconductor Equipment 1.1%

| | | |
|---|-------|-----------|
| Advanced Micro Devices, Inc., 8.13%, 12/15/17 (b) | 660 | 668,250 |
| Spansion, Inc., 3.79%, 6/01/13 (a)(b)(f) | 1,720 | 1,702,800 |
| STATS ChipPAC Ltd.: | | |
| 7.50%, 7/19/10 | 180 | 181,575 |
| 6.75%, 11/15/11 | 385 | 383,556 |
| | | 2,936,181 |

Software 0.1%

| | | |
|---|-----|---------|
| JDA Software Group, Inc., 8.00%, 12/15/14 (b) | 177 | 182,310 |
|---|-----|---------|

Wireless Telecommunication Services 1.6%

| | | |
|--|-------|------------|
| Cricket Communications, Inc., 7.75%, 5/15/16 | 2,500 | 2,540,625 |
| Digicel Group Ltd., 9.13%, 1/15/15 (b)(d) | 278 | 271,050 |
| iPCS, Inc., 2.37%, 5/01/13 (c) | 1,500 | 1,380,000 |
| | | 4,191,675 |
| Total Corporate Bonds 30.1% | | 78,738,187 |

Floating Rate Loan Interests (c)

Aerospace & Defense 1.1%

| | | |
|---|-------|---------|
| Avio SpA: | | |
| Facility B2, 2.35%, 12/15/14 | 15 | 14,621 |
| Facility C2, 2.98%, 12/14/15 | 16 | 15,587 |
| Hawker Beechcraft Acquisition Co. LLC: | | |
| Letter of Credit Facility Deposit, 2.25%, 3/26/14 | 70 | 51,286 |
| Term Loan, 2.23% 2.25%, 3/26/14 | 1,135 | 835,465 |

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

Floating Rate Loan Interests (c)

Aerospace & Defense (concluded)

| | | |
|--|------------|-----------|
| IAP Worldwide Services, Inc., Term Loan (First-Lien), 2.00% 7.25%, 12/30/12 | (h) | |
| TASC, Inc.: | | |
| Tranche A Term Loan, 5.50%, 12/18/14 | USD 680 \$ | 682,834 |
| Tranche B Term Loan, 5.75%, 12/18/15 | 1,320 | 1,328,800 |
| | | 2,928,593 |

Airlines 0.4%

| | | |
|---|-------|-----------|
| Delta Air Lines, Inc., Credit- Linked Deposit Loan, 0.08% 2.25%, 4/30/12 | 1,225 | 1,144,355 |
|---|-------|-----------|

Auto Components 3.1%

| | | |
|--|-------|-----------|
| Affinion Group Holdings, Inc., Tranche B Term Loan, 2.73%, 10/17/12 | 675 | 655,087 |
| Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14 | 4,274 | 3,914,353 |

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| | | | |
|--|-----|-------|-----------|
| Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15 | | 1,136 | 1,106,877 |
| Exide Technologies Term Loan, 3.91%, 5/15/12 | EUR | 325 | 398,284 |
| GPX International Tire Corp., Tranche B Term Loan (a)(f): | | | |
| 14.00%, 4/11/12 | USD | 19 | 9,300 |
| 12.25%, 3/30/12 | | 1,141 | 570,273 |
| Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14 | | 1,406 | 1,409,168 |
| | | | 8,063,342 |
| Automobiles 1.0% | | | |
| Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13 | | 2,661 | 2,478,423 |
| Beverages 0.1% | | | |
| Culligan International Co., Loan (Second Lien), 5.18%, 4/24/13 | EUR | 500 | 281,409 |
| Building Products 2.7% | | | |
| Building Materials Corp. of America: | | | |
| Second Lien Term Loan, 6.00%, 9/15/14 | USD | 1,650 | 1,623,600 |
| Term Loan Advance, 3.00%, 2/22/14 | | 1,833 | 1,784,733 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14 | | 2,442 | 2,451,355 |
| PGT Industries, Inc., Tranche A-2 Term Loan, 7.25%, 2/14/12 | | 1,453 | 1,264,134 |
| | | | 7,123,822 |
| Chemicals 6.1% | | | |
| Ashland Inc., Term B Borrowing, 7.65%, 5/13/14 | | 726 | 734,218 |
| Chemtura Corp. Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11 | | 1,600 | 1,607,000 |
| Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.25%, 5/31/14 | | 488 | 388,172 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14 | | 900 | 904,500 |
| Huish Detergents Inc., Tranche B Term Loan, 2.01%, 4/26/14 | | 714 | 685,841 |
| Matrix Acquisition Corp. (fka MacDermid, Inc.), Tranche C Term Loan, 2.63%, 12/15/13 | EUR | 571 | 633,385 |
| Nalco Co., Term Loan, 6.50%, 5/13/16 | USD | 2,438 | 2,454,814 |
| PQ Corp. (fka Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.48% 3.50%, 7/30/14 | | 2,715 | 2,484,225 |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14 | | 1,525 | 1,529,575 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | | 2,907 | 2,944,948 |

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Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%,

| | | |
|---------|-------|------------|
| 6/24/10 | 1,600 | 1,641,920 |
| | | 16,008,598 |

Commercial Services & Supplies 3.2%

ARAMARK Corp.:

| | | |
|---|----|--------|
| Letter of Credit Facility, 2.11%, 1/26/14 | 92 | 87,304 |
|---|----|--------|

| | | |
|------------------------------|-------|-----------|
| US Term Loan, 2.13%, 1/26/14 | 1,392 | 1,327,533 |
|------------------------------|-------|-----------|

Advanced Disposal Services, Inc., Term B Loan, 6.00%,

| | | |
|---------|-------|-----------|
| 1/14/15 | 1,100 | 1,100,000 |
|---------|-------|-----------|

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests (c) | | |
| Commercial Services & Supplies (concluded) | | |
| Casella Waste Systems, Inc, Term B Loan, 7.00%, 4/09/14 | USD 746 | \$ 750,914 |
| John Maneely Co., Term Loan, 3.50%, 12/09/13 | 706 | 662,194 |
| Johnson Diversey, Inc. Term Loan B, 5.50%, 11/24/15 | 900 | 906,750 |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14 | 1,564 | 1,378,906 |
| West Corp.: | | |
| Incremental Term B-3 Loan, 7.25%, 10/24/13 | 1,492 | 1,506,771 |
| Term B-2 Loan, 2.60% 2.63%, 10/24/13 | 531 | 511,856 |
| | | 8,232,228 |
| Construction & Engineering 1.2% | | |
| Safway First Out Term Loan, 9.00%, 12/14/17 | 1,700 | 1,700,000 |
| Welding Services Term Loan B, 9.35%, 12/16/13 | 1,495 | 1,502,394 |
| | | 3,202,394 |
| Consumer Finance 0.9% | | |
| DaimlerChrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24%, 8/03/12 | 2,401 | 2,370,407 |
| Containers & Packaging 1.2% | | |
| Anchor Glass Term Loan B, 6.00%, 2/18/16 | 1,350 | 1,336,500 |
| Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15 | 1,047 | 937,049 |
| Graham Packaging Co., LP: | | |
| B Term Loan, 2.50%, 10/07/11 | 105 | 103,224 |
| C Term Loan, 6.75%, 4/05/14 | 664 | 667,033 |
| | | 3,043,806 |
| Diversified Consumer Services 2.2% | | |
| Coinmach Service Corp., Term Loan, 3.26%, 11/14/14 | 2,702 | 2,337,017 |
| Laureate Education Term Loan B, 7.00%, 8/15/14 | 3,491 | 3,459,567 |
| | | 5,796,584 |
| Diversified Financial Services 1.2% | | |
| CIT Group, Inc., Tranche 2A Term Loan, 9.50% 9.75%, 1/20/12 | 1,875 | 1,920,703 |
| Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15 | 1,300 | 1,308,125 |

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| | | | |
|--|-----|--------------|--------------|
| | | | 3,228,828 |
| Diversified Telecommunication Services 1.9% | | | |
| Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13 | | 1,141 | 1,140,381 |
| Level 3 Communications Incremental Term Loan, 7.59%, 3/13/14 | | 1,125 | 1,013,672 |
| US Telepacific Corp. Second Lien Term Loan, 7.75%, 7/25/15 | | 475 | 475,891 |
| Wind Finance SL SA, Euro Facility (Second Lien), 7.67%, 12/17/14 | EUR | 1,000 | 1,356,190 |
| Wind Telecomunicazioni SpA, A1 Term Loan Facility, 2.90%, 9/22/12 | | 712 | 932,127 |
| | | | 4,918,261 |
| Electrical Equipment 0.7% | | | |
| Baldor Electric Co., Term Loan, 5.25%, 1/31/14 | USD | 1,338 | 1,339,836 |
| Generac Acquisition Corp., Term Loan (First Lien), 2.75%, 11/10/13 | | 524 | 480,183 |
| | | | 1,820,019 |
| Energy Equipment & Services 0.4% | | | |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16 | | 1,094 | 1,074,052 |
| Food & Staples Retailing 3.7% | | | |
| AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15 | GBP | 1,300 | 1,775,766 |
| Bolthouse Farms, Inc. Term Loan B, 3.75%, 2/04/16 | USD | 1,100 | 1,100,000 |
| DS Waters of America, Inc., Term Loan, 2.50%, 10/29/12 | | 914 | 855,006 |
| | | Par | Value |
| Floating Rate Loan Interests (c) | | (000) | |
| Food & Staples Retailing (concluded) | | | |
| Pierre Foods Term Loan B, 8.50%, 9/30/14 | USD | 656 | \$ 653,861 |
| Pilot Travel Centers Term Loan B, 3.50%, 11/18/15 | | 2,750 | 2,762,749 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | | 1,900 | 1,968,400 |
| SUPERVALU Inc., Term B Advance, 1.48%, 6/02/12 | | 685 | 664,027 |
| | | | 9,779,809 |
| Food Products 4.5% | | | |
| CII Investment, LLC (fka Cloverhill), Term Loan B, 8.50%, 10/14/14 | | 1,889 | 1,889,286 |
| Dole Food Co., Inc.: | | | |
| Credit-Linked Deposit, 7.89%, 4/12/13 | | 390 | 390,102 |

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| | | |
|---|-------|------------|
| Term Loan B, 3.50%, 2/10/17 | 912 | 912,221 |
| Term Loan C, 5.50%, 2/10/17 | 2,188 | 2,189,329 |
| Tranche B Term Loan, 8.00%, 4/12/13 | 678 | 678,409 |
| Pilgrim s Pride Corp. Term Loan A, 5.29%, 12/01/12 | 950 | 935,750 |
| Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14 | 2,500 | 2,510,267 |
| Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13 | 2,201 | 2,201,118 |
| | | 11,706,482 |
| Health Care Equipment & Supplies 1.0% | | |
| Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15 | 1,814 | 1,754,198 |
| DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14 | 885 | 854,836 |
| Hologic, Inc., Tranche B Term Loan, 3.50%, 3/29/13 | 52 | 51,511 |
| | | 2,660,545 |
| Health Care Providers & Services 4.2% | | |
| CCS Medical, Inc. (Chronic Care), Loan (Debtor In Possession), 13.00%, 3/31/10 | 31 | 31,247 |
| CHS/Community Health Systems, Inc.: | | |
| Delayed Draw Term Loan, 2.50%, 7/25/14 | 176 | 164,681 |
| Funded Term Loan, 2.48% 2.50%, 7/25/14 | 3,429 | 3,203,874 |
| DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12 | 285 | 278,338 |
| Fresenius SE.: | | |
| Tranche B1 Term Loan, 6.75%, 9/10/14 | 1,225 | 1,231,687 |
| Tranche B2 Term Loan, 6.75%, 9/10/14 | 749 | 752,594 |
| HCA Inc.: | | |
| Tranche A-1 Term Loan, 1.75%, 11/16/12 | 1,532 | 1,446,956 |
| Tranche B-1 Term Loan, 2.50%, 11/18/13 | 1,948 | 1,848,297 |
| Vanguard Health Systems Term Loan B, 5.00%, 1/29/16 | 2,000 | 2,002,500 |
| | | 10,960,174 |
| Health Care Technology 1.0% | | |
| IMS Healthcare Term Loan B, 5.25%, 2/16/16 | 2,500 | 2,510,000 |
| Hotels Restaurants & Leisure 5.5% | | |
| Cedar Fair LP Term Loan B, 4.00% 2/04/16 | 1,600 | 1,597,501 |
| Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.50%, 8/16/14 | 500 | 50,000 |
| Harrah s Operating Co., Inc.: | | |
| Term B-1 Loan, 3.25%, 1/28/15 | 192 | 154,978 |
| Term B-2 Loan, 3.25%, 1/28/15 | 2,259 | 1,823,666 |

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| | | |
|--|-------|-----------|
| Term B-3 Loan, 3.25%, 1/28/15 | 168 | 135,591 |
| Penn National Gaming, Inc., Term Loan B, 1.98% 2.00%, 10/03/12 | 1,136 | 1,112,613 |
| QCE, LLC (Quiznos), Term Loan (Second Lien), 2.56%, 5/05/13 | 424 | 361,291 |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16 | 2,250 | 2,259,844 |
| Six Flags Theme Parks, Inc. Term Loan, 4.50%, 6/13/15 | 3,500 | 3,467,625 |
| Travelport LLC (fka Travelport, Inc.): Original Post-First Amendment and Restatement Synthetic Letter of Credit Loan, 2.75%, 8/23/13 | 178 | 167,341 |
| Tranche B Dollar Term Loan, 2.74% 2.75%, 8/23/13 | 889 | 833,991 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (c) | | |
| Hotels Restaurants & Leisure (concluded) | | |
| Universal City Development Term Loan B, 7.75%, 11/06/14 | USD 1,500 | \$ 1,508,437 |
| VML US Finance LLC (aka Venetian Macau) Term B: | | |
| Delayed Draw Project Loan, 4.76%, 5/25/12 | 320 | 304,159 |
| Funded Project Loan, 4.76%, 5/27/13 | 723 | 687,635 |
| | | 14,464,672 |
| Household Durables 1.0% | | |
| American Residential Services LLC, Term Loan (Second Lien), 12.00%, 4/17/15 (d) | 2,061 | 1,983,308 |
| Jarden Corp., Term Loan B3, 2.75%, 1/24/12 | 544 | 539,736 |
| | | 2,523,044 |
| IT Services 4.0% | | |
| Audio Visual Services Group, Inc.: | | |
| Tranche B Term Loan (First Lien), 2.51%, 2/28/14 | 995 | 696,437 |
| Loan (Second Lien), 5.76%, 8/28/14 | 1,077 | 107,704 |
| Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14 | 1,152 | 1,007,492 |
| First Data Corp.: | | |
| Initial Tranche B-1 Term Loan, 2.98% 3.00%, 9/24/14 | 356 | 310,851 |
| Initial Tranche B-2 Term Loan, 2.98% 3.00%, 9/24/14 | 4,606 | 4,016,721 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | 340 | 295,556 |
| RedPrairie Corp.: | | |
| Loan (Second Lien), 6.75%, 1/20/13 | 300 | 285,000 |
| Term Loan B, 3.31%, 7/20/12 | 523 | 507,688 |
| SunGard Data Systems, Inc. (Solar Capital Corp.): | | |
| Incremental Term Loan, 6.75%, 2/28/14 | 895 | 898,600 |
| Tranche B US Term Loan, 3.86% 3.87%, 2/28/16 | 2,249 | 2,191,538 |
| | | 10,317,587 |
| Independent Power Producers & Energy Traders 1.8% | | |
| Dynegy Holdings Inc., Tranche B Term Loan, 3.98%, 4/02/13 | 1,500 | 1,463,560 |

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Texas Competitive Electric Holdings Co., LLC (TXU):

| | | |
|---|-------|-----------|
| Initial Tranche B-1 Term Loan, 3.73% 3.75%, 10/10/14 | 2,516 | 2,022,307 |
| Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14 | 224 | 180,507 |
| Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14 | 1,435 | 1,148,202 |
| | | 4,814,576 |

Industrial Conglomerates 0.6%

| | | |
|---|-------|-----------|
| Sequa Corp., Term Loan, 3.51% 3.94%, 12/03/14 | 1,769 | 1,617,881 |
|---|-------|-----------|

Insurance 0.2%

| | | |
|---|-----|---------|
| Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14 | 489 | 461,258 |
|---|-----|---------|

Internet & Catalog Retail 0.2%

| | | |
|--|-----|---------|
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | 634 | 633,587 |
|--|-----|---------|

Leisure Equipment & Products 0.3%

| | | |
|---|-----|---------|
| 24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, 2.76%, 6/08/12 | 425 | 401,625 |
|---|-----|---------|

Fender Musical Instruments Corp.:

| | | |
|-----------------------------------|-----|---------|
| Delayed Draw Loan, 2.51%, 6/09/14 | 164 | 139,364 |
| Initial Loan, 2.51%, 6/09/14 | 326 | 275,897 |
| | | 816,886 |

Machinery 2.4%

| | | |
|---|-------|-----------|
| Accuride Term Loan, 10.00%, 1/31/12 | 790 | 788,354 |
| Bucyrus International Term Loan C, 4.50%, 1/26/16 | 2,250 | 2,261,925 |
| NACCO Materials Handling Group, Inc., Loan, 2.23% 2.52%, 3/21/13 | 1,448 | 1,165,238 |
| Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13 | 2,069 | 2,067,039 |
| | | 6,282,556 |

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

Media 19.5%

| | | | |
|--|-----|-------|--------------|
| Affinion Group Holdings, Inc., Loan, 7.89%, 3/01/12 (d) | USD | 1,349 | \$ 1,274,412 |
| Catalina Marketing Corp., Initial Term Loan, 2.98%, 10/01/14 | | 645 | 621,876 |
| Gengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 4,179 | 4,137,000 |
| Cequel Communications, LLC: Term Loan, 2.25%, 11/05/13 | | 526 | 498,709 |

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| | | | |
|---|-----|-------|-----------|
| Tranche A Term Loan (Second Lien), 4.75%, 5/05/14 | | 2,000 | 1,948,200 |
| Tranche B Term Loan (Second Lien), 6.25%, 5/05/14 | | 475 | 475,760 |
| Charter Communications Operating, LLC, New Term Loan, 2.23%, 3/06/14 | | 5,600 | 5,223,523 |
| HMH Publishing Co. Ltd.: | | | |
| Mezzanine, 17.50%, 11/14/14 | | 593 | 73,150 |
| Tranche A Term Loan, 5.23%, 6/12/14 | | 1,607 | 1,351,642 |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14 | | 1,466 | 654,925 |
| Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.73% 2.75%, 6/30/14 | | 975 | 852,638 |
| Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14 | | 1,825 | 1,752,285 |
| Intelsat Corp. (fka PanAmSat Corp.): | | | |
| Initial Tranche B-2-A Term Loan, 2.73%, 1/03/14 | | 333 | 316,123 |
| Initial Tranche B-2-B Term Loan, 2.73%, 1/03/14 | | 332 | 316,026 |
| Initial Tranche B-2-C Term Loan, 2.73%, 1/03/14 | | 332 | 316,026 |
| Intelsat Subsidiary Holding Co. Ltd., Tranche B Term Loan, 2.73%, 7/03/13 | | 1,682 | 1,605,099 |
| Lamar Media Corp.: | | | |
| Series B Incremental Loan, 5.50% 5.75%, 9/28/12 | | 971 | 963,702 |
| Series E Incremental Loan, 5.50% 5.75%, 3/31/13 | | 470 | 469,886 |
| Term Loan, 5.50%, 9/28/12 | | 2,818 | 2,796,907 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): | | | |
| Facility B1, 3.34%, 6/30/15 | EUR | 337 | 314,143 |
| Facility C1, 3.59%, 6/30/16 | | 337 | 314,143 |
| MCC Iowa LLC (Mediacom Broadband Group): | | | |
| Tranche A Term Loan, 1.71%, 3/31/10 | USD | 200 | 199,000 |
| Tranche E Term Loan, 6.50%, 1/03/16 | | 2,853 | 2,876,101 |
| MCNA Cable Holdings LLC (OneLink Communications), Loan, 7.23%, 3/01/13 (d) | | 1,289 | 1,005,369 |
| Mediannuaire Holding (Pages Jaunes), Term Loan D, 4.96%, 1/11/17 | EUR | 500 | 427,560 |
| Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 20.50%, 4/09/12 | USD | 992 | 595,880 |
| Multicultural Radio Broadcasting, Inc., Term Loan, 2.98%, 12/18/12 | | 304 | 241,300 |

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| | | | |
|---|-----|-------|------------|
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | 1,750 | 1,870,312 |
| Nielsen Finance LLC: | | | |
| Class A, Dollar Term Loan, 2.23%, 8/09/13 | | 547 | 515,300 |
| Class B, Dollar Term Loan, 3.98%, 5/01/16 | | 2,534 | 2,453,526 |
| Penton Media, Inc., Loan, 9.25%, 2/01/14 (a)(f) | | 1,000 | 133,333 |
| Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15 | | 1,250 | 1,256,250 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 2,000 | 2,691,539 |
| Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12 | USD | 1,757 | 1,544,726 |
| TWCC Holding Corp., Term Loan, 7.25%, 9/14/15 | | 2,726 | 2,732,342 |
| UPC Financing Partnership, Facility U, 4.99%, 12/31/17 EUR | | 1,850 | 2,346,928 |
| Virgin Media Investment Holdings Ltd., C Facility, 3.57%, 7/17/13 | GBP | 790 | 1,125,296 |
| Worldcolor Press Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | | 1,620 | 1,636,508 |
| Yell Group Plc TPI Term Loan A, 7.12%, 8/09/11 | | 1,000 | 957,500 |
| | | | 50,884,945 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests (c) | | | |
| Multi-Utilities 0.8% | | | |
| Energy Transfer Equity, LP, Term Loan, 1.98%, 11/01/12 | USD | 1,000 | \$ 986,243 |
| FirstLight Power Resources, Inc. (fka NE Energy, Inc.): | | | |
| Synthetic Letter of Credit, 2.81%, 11/01/13 | | 53 | 49,150 |
| Term Advance (Second Lien), 4.81%, 5/01/14 | | 500 | 459,166 |
| Term B Advance (First Lien), 2.75%, 11/01/13 | | 572 | 533,868 |
| | | | 2,028,427 |
| Multiline Retail 0.8% | | | |
| Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14 | | 1,686 | 1,621,979 |
| The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13 | | 410 | 367,998 |
| | | | 1,989,977 |
| Oil, Gas & Consumable Fuels 1.3% | | | |
| Big West Oil, LLC: | | | |
| Delayed Draw Loan, 4.50%, 5/15/14 | | 779 | 763,241 |
| Initial Advance Loan, 4.50%, 5/15/14 | | 619 | 606,983 |
| Initial Advance Loan, 9.75%, 5/15/14 | | 625 | 628,125 |
| Coffeyville Resources, LLC, Tranche D Term Loan, 8.50%, 12/30/13 | | 1,470 | 1,478,752 |
| | | | 3,477,101 |
| Paper & Forest Products 1.4% | | | |
| Georgia-Pacific LLC, Term Loan B, 2.25% 2.26%, 12/23/12 | | 2,648 | 2,586,550 |
| Verso Paper Finance Holdings LLC, Loan, 6.50% 7.25%, 2/01/13 (d) | | 2,051 | 1,127,776 |
| | | | 3,714,326 |
| Personal Products 0.4% | | | |
| American Safety Razor Co., LLC: | | | |
| Loan (Second Lien), 6.51%, 1/30/14 | | 675 | 394,875 |
| Term Loan (First Lien), 2.75% 2.76%, 7/31/13 | | 474 | 430,359 |
| Revlon Consumer Products Corp., Term Loan, 4.25% 4.26%, 1/15/12 | | 300 | 295,219 |
| | | | 1,120,453 |
| Pharmaceuticals 1.5% | | | |

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| | | | |
|---|-------------------|-------|--------------|
| Catalent Pharma Solutions, Inc. (fka Cardinal Health 409, Inc.), Euro Term Loan, 2.67%, 4/15/14 | EUR | 277 | 333,551 |
| Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14 | USD | 1,119 | 1,118,365 |
| Warner Chilcott Corp., Term B-1 Loan, 5.75%, 4/30/15 | | 2,375 | 2,373,761 |
| | | | 3,825,677 |
| Professional Services 0.9% | | | |
| Booz Allen Hamilton, Inc., Term Loan C, 6.00%, 7/31/15 | | 2,250 | 2,257,031 |
| Real Estate Management & Development 1.4% | | | |
| Mattamy Funding Partnership, Loan, 2.56%, 4/11/13 | | 963 | 880,688 |
| Realogy Corp.: | | | |
| Delayed Draw Term B Loan, 3.25%, 10/10/13 | | 1,097 | 967,525 |
| Initial Term B Loan, 3.25%, 10/10/13 | | 1,950 | 1,719,545 |
| | | | 3,567,758 |
| Specialty Retail 0.9% | | | |
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13 | | 814 | 785,206 |
| Michaels Stores, Inc.: | | | |
| Term Loan B, 2.50% 2.56%, 10/31/13 | | 596 | 536,657 |
| Term Loan B-1, 4.75% 4.81%, 7/31/16 | | 1,091 | 1,039,472 |
| | | | 2,361,335 |
| Textiles, Apparel & Luxury Goods 0.3% | | | |
| Hanesbrands Inc., New Term Loan, 5.25%, 12/10/15 | | 800 | 806,000 |
| Wireless Telecommunication Services 1.6% | | | |
| Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12 | | 2,717 | 2,614,811 |
| | Par | | Value |
| Floating Rate Loan Interests (c) | (000) | | |
| Wireless Telecommunication Services (concluded) | | | |
| MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13 | USD | 1,745 | \$ 1,681,671 |
| | | | 4,296,482 |
| Total Floating Rate Loan Interests 88.6% | | | 231,593,690 |
| | Beneficial | | |
| | Interest | | |
| Other Interests (g) | (000) | | |
| Auto Components 1.0% | | | |
| Delphi DIP Holding Co. LLP, Class B Membership Interests | | (h) | 2,669,295 |
| Diversified Financial Services 0.3% | | | |
| J.G. Wentworth LLC Preferred Equity Interests | | (h) | 657,741 |

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| | | | |
|--|----------------|------------------|---------------|
| Total Other Interests | 1.3% | | 3,327,036 |
| Total Long-Term Investments | | | |
| (Cost \$335,041,580) | 120.9% | | 316,077,814 |
| Short-Term Securities | | Shares | |
| BlackRock Liquidity Funds, TempFund, Institutional | | | |
| Class 0.09% (i)(j) | | 1,442,325 | 1,442,325 |
| Total Short-Term Securities (Cost \$1,442,325) | 0.5% | | 1,442,325 |
| Options Purchased | | Contracts | |
| Over-the-Counter Call Options | 0.0% | | |
| Marsico Parent Superholdco LLC, Strike Price \$942.86, | | | |
| Expires 12/21/19, Broker Goldman Sachs Bank USA | | 20 | 3,800 |
| Total Options Purchased (Cost \$19,556) | 0.0% | | 3,800 |
| Total Investments (Cost \$336,503,461*) | 121.4% | | 317,523,939 |
| Liabilities in Excess of Other Assets | (21.4)% | | (55,918,011) |
| Net Assets | 100.0% | | \$261,605,928 |

* The cost and unrealized appreciation (depreciation) of investments as of

February 28, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$336,764,990 |
| Gross unrealized appreciation | \$ 7,774,962 |
| Gross unrealized depreciation | (27,016,013) |
| Net unrealized depreciation | \$ (19,241,051) |

(a) Non-income producing security.

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

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

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

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

(e) Convertible security.

(f) Issuer filed for bankruptcy and/or is in default of interest payments.

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

(h) Amount is less than \$1,000.

(i) 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 | Income |
|---|---------------------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | \$ (576,054) | \$ 3,046 |

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

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2010 were as follows:

| Issuer | Receive | Counter-party | Expiration | Credit Ratings ¹ | Notional | Unrealized Appreciation |
|----------------|------------|---------------|------------|-----------------------------|---------------------------|-------------------------|
| | Fixed Rate | | | | Amount (000) ² | |
| Ford Motor Co. | 3.80% | UBS AG | March 2010 | CCC | USD 2,000 | \$ 1,712 |

¹ Using Standard & Poor's rating of the issuer.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement. See Note 2 of the Notes to Financial Statements.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Date | Settlement Unrealized Appreciation |
|--------------------|----------------|---------------------------------------|---------|------------------------------------|
| USD 301,128 | CAD 315,000 | Goldman Sachs Bank USA | 4/21/10 | \$ 1,783 |
| USD 14,596,885 | EUR 10,155,500 | CitiBank NA | 3/24/10 | 769,245 |
| USD 3,479,242 | GBP 2,149,000 | Morgan Stanley Capital Services, Inc. | 4/21/10 | 203,747 |
| Total | | | | \$ 974,775 |

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

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

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

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the face value of investments)

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The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Fund's investments:

Investments in Securities

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------------------|-----------------------|----------------------|-----------------------|
| Assets: | | | | |
| Long-Term | | | | |
| Investments: | | | | |
| Common Stocks | \$ 2,035,526 | \$ 321,252 | \$ 62,123 | \$ 2,418,901 |
| Corporate Bonds | | 77,373,769 | 1,364,418 | 78,738,187 |
| Floating Rate | | | | |
| Loan Interests | | 194,094,273 | 37,499,417 | 231,593,690 |
| Other Interests | | | 3,327,036 | 3,327,036 |
| Short-Term | | | | |
| Securities | 1,442,325 | | | 1,442,325 |
| Total | \$ 3,477,851 | \$ 271,789,294 | \$ 42,252,994 | \$ 317,520,139 |

Other Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|-------------------|--------------------|-------------------|
| Assets | | \$ 980,287 | \$ 7,813 | \$ 988,100 |
| Liabilities | | | (95,429) | (95,429) |
| Total | | \$ 980,287 | \$ (87,616) | \$ 892,671 |

¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

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

| | Investments in Securities | | | | |
|---|---------------------------|--------------------|------------------|--------------------|---------------|
| | Common Stocks | Corporate Bonds | Floating Rate | Other Interests | Total |
| | | | Loan | | |
| | | | Interests | | |
| Balance, as of August 31, 2009 | \$ 5,143 | \$ 2,823,032 | \$ 54,573,840 | \$ 262,849 | \$ 57,664,864 |
| Accrued discounts/premiums | | | | | |
| Realized gain (loss) | | (7,066) | (9,560,443) | (14,550) | (9,582,059) |
| Change in unrealized appreciation/depreciation ² | | 77,444 | 18,099,332 | 409,442 | 18,586,218 |

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| | | | | |
|---|------------------|---------------------|---------------------|----------------------------------|
| Net purchases (sales) | 8,702 | (15,924,503) | | (15,915,801) |
| Net transfers in/out of Level 3 | 56,980 | (1,537,694) | (9,688,809) | 2,669,295 (8,500,228) |
| Balance, as of February 28, 2010 | \$ 62,123 | \$ 1,364,418 | \$37,499,417 | \$ 3,327,036 \$42,252,994 |

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on securities

still held at February 28, 2010 was \$11,844,022.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

| | Other Financial Instruments³ | |
|--|--|--------------------|
| | Assets | Liabilities |
| Balance, as of August 31, 2009 | | \$ (49,905) |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/depreciation | | |
| Net purchases (sales) | | |
| Net transfers in/out of Level 3 | \$ 7,813 | (45,524) |
| Balance as of February 28, 2010 | \$ 7,813 | \$ (95,429) |

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments February 28, 2010 (Unaudited)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | Par | Value |
|---|--------------|--------------|
| | (000) | |
| Asset-Backed Securities | | |
| Ford Credit Auto Owner Trust, Series 2009-A, Class A3B, 2.73%, 5/15/13 (a) | USD 9,135 | \$ 9,345,317 |
| Interest Only 0.5% | | |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 | 16,561 | 1,299,030 |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29 | 14,233 | 1,467,809 |
| | | 2,766,839 |
| Total Asset-Backed Securities 2.0% | | 12,112,156 |
| Common Stocks (b) | | |
| Auto Components 0.1% | | |
| Lear Corp. | 12,302 | 852,160 |
| Machinery 0.1% | | |
| Accuride Corp. | 139,370 | 181,181 |
| Accuride Corp. Restricted Shares | 139,371 | 181,182 |
| | | 362,363 |
| Software 0.0% | | |
| Euramax International | 234 | 7,011 |
| SIRVA | 1,109 | 11,090 |
| USI United Subcontractors | 6,116 | 79,503 |
| | | 97,604 |
| Specialty Retail 0.0% | | |
| Lazydays RV Center, Inc. | 10,549 | 41,140 |
| Total Common Stocks 0.2% | | 1,353,267 |
| Corporate Bonds | | |
| Air Freight & Logistics 0.1% | | |
| Park-Ohio Industries, Inc., 8.38%, 11/15/14 | USD 905 | 733,050 |
| Airlines 0.2% | | |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 1,444 | 1,487,320 |
| Auto Components 0.0% | | |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | 65 | 64,613 |
| Building Products 0.4% | | |
| Building Materials Corp. of America, 7.00%, 2/15/20 (c) | 1,875 | 1,875,000 |
| CPG International I, Inc., 10.50%, 7/01/13 | 750 | 735,000 |

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| | | | | |
|--|-----|--------------|-----|--------------|
| | | | | 2,610,000 |
| Capital Markets 0.6% | | | | |
| E*Trade Financial Corp., 3.99%, 8/31/19 (c)(d)(e) | | | 249 | 378,480 |
| MU Finance Plc, 8.75%, 2/01/17 (c) | GBP | 1,007 | | 1,420,321 |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 | | 2,381 | | 1,431,576 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (c)(f) | | 1,010 | | 223,430 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (c)(f) | | 661 | | 114,795 |
| | | | | 3,568,602 |
| Chemicals 1.1% | | | | |
| American Pacific Corp., 9.00%, 2/01/15 | USD | 1,100 | | 1,086,250 |
| Ames True Temper, Inc., 4.25%, 1/15/12 (a) | | 2,085 | | 1,949,475 |
| Huntsman International LLC, 5.50%, 6/30/16 (c) | | 1,385 | | 1,218,800 |
| Innophos, Inc., 8.88%, 8/15/14 | | 2,225 | | 2,286,187 |
| | | | | 6,540,712 |
| Commercial Services & Supplies 0.9% | | | | |
| ACCO Brands Corp., 10.63%, 3/15/15 (c) | | 1,025 | | 1,114,175 |
| DI Finance, Series B, 9.50%, 2/15/13 | | 2,326 | | 2,343,445 |
| Waste Services, Inc., 9.50%, 4/15/14 | | 2,065 | | 2,121,787 |
| | | | | 5,579,407 |
| | | Par | | |
| Corporate Bonds | | (000) | | Value |
| Consumer Finance 0.8% | | | | |
| Ford Motor Credit Co. LLC: | | | | |
| 7.38%, 2/01/11 | USD | 2,800 | | \$ 2,856,070 |
| 3.00%, 1/13/12 (a) | | 565 | | 529,688 |
| 7.80%, 6/01/12 | | 1,665 | | 1,682,597 |
| | | | | 5,068,355 |
| Containers & Packaging 1.7% | | | | |
| Berry Plastics Escrow LLC, 8.25%, 11/15/15 (c) | | 2,400 | | 2,394,000 |
| Berry Plastics Holding Corp., 8.88%, 9/15/14 | | 295 | | 283,938 |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16 | EUR | 165 | | 214,563 |
| Crown Americas LLC, 7.75%, 11/15/15 | USD | 885 | | 913,762 |
| Impress Holdings BV, 3.38%, 9/15/13 (a)(c) | | 1,255 | | 1,170,287 |
| Pregis Corp., 12.38%, 10/15/13 | | 2,020 | | 2,004,850 |
| Smurfit Kappa Acquisitions (c): | | | | |
| 7.25%, 11/15/17 | EUR | 1,215 | | 1,621,324 |
| 7.75%, 11/15/19 | | 1,155 | | 1,564,849 |
| | | | | 10,167,573 |

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Diversified Financial Services 3.0%

| | | | |
|---|-----|-------|------------|
| CIT Group, Inc., 7.00%, 5/01/17 | USD | 6,885 | 6,084,619 |
| GMAC LLC: | | | |
| 6.88%, 9/15/11 | | 5,050 | 5,050,000 |
| 6.88%, 8/28/12 (c) | | 1,371 | 1,357,290 |
| 8.30%, 2/12/15 (c) | | 3,150 | 3,177,562 |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (c) | | 2,615 | 2,647,688 |
| | | | 18,317,159 |

Diversified Telecommunication Services 3.0%

| | | | |
|--|--|-------|------------|
| Deutsche Telekom International Finance BV, 8.50%, 6/15/10 | | 5,000 | 5,110,055 |
| Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (c) | | 580 | 620,600 |
| PAETEC Holding Corp., 8.88%, 6/30/17 (c) | | 525 | 528,686 |
| Qwest Communications International, Inc.: | | | |
| 7.50% , 2/15/14 | | 3,595 | 3,630,950 |
| 8.00%, 10/01/15 (c) | | 2,500 | 2,587,500 |
| Qwest Corp., 8.38%, 5/01/16 | | 590 | 646,050 |
| Wind Acquisition Finance SA, 10.75%, 12/01/15 | | 900 | 963,000 |
| Windstream Corp.: | | | |
| 8.13%, 8/01/13 | | 590 | 613,600 |
| 8.63%, 8/01/16 | | 690 | 702,075 |
| 7.88%, 11/01/17 (c) | | 2,500 | 2,443,750 |
| | | | 17,846,266 |

Electric Utilities 0.0%

| | | | |
|-----------------------------------|--|-----|---------|
| Elwood Energy LLC, 8.16%, 7/05/26 | | 129 | 123,887 |
|-----------------------------------|--|-----|---------|

Energy Equipment & Services 0.5%

| | | | |
|---|--|-------|-----------|
| Compagnie Generale de Geophysique-Veritas: | | | |
| 7.50%, 5/15/15 | | 255 | 249,900 |
| 7.75%, 5/15/17 | | 420 | 411,600 |
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (c) | | 2,500 | 2,487,500 |
| North American Energy Partners, Inc., 8.75%, 12/01/11 | | 140 | 139,300 |
| | | | 3,288,300 |

Food & Staples Retailing 0.1%

| | | | |
|--|--|-----|---------|
| Duane Reade, Inc., 11.75%, 8/01/15 (c) | | 455 | 573,300 |
|--|--|-----|---------|

Food Products 0.6%

| | | | |
|---|--|-------|-----------|
| Bumble Bee Foods LLC, 7.75%, 12/15/15 (c) | | 1,040 | 1,042,600 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (c) | | 2,410 | 2,608,825 |
| | | | 3,651,425 |

Health Care Equipment & Supplies 0.5%

| | | | |
|-----------------------------------|--|-------|-----------|
| DJO Finance LLC, 10.88%, 11/15/14 | | 2,780 | 2,974,600 |
|-----------------------------------|--|-------|-----------|

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Health Care Providers & Services 2.2% | | | |
| Community Health Systems, Inc., 8.88%, 7/15/15 | USD | 450 | \$ 465,750 |
| DaVita, Inc., 6.63%, 3/15/13 | | 1,980 | 1,984,950 |
| Tenet Healthcare Corp. (c): | | | |
| 9.00%, 5/01/15 | | 812 | 850,570 |
| 10.00%, 5/01/18 | | 6,682 | 7,350,200 |
| Viant Holdings, Inc., 10.13%, 7/15/17 (c) | | 2,948 | 2,874,300 |
| | | | 13,525,770 |
| Health Care Technology 0.8% | | | |
| IMS Health, Inc., 12.50%, 3/01/18 (c) | | 4,300 | 4,945,000 |
| Hotels Restaurants & Leisure 0.0% | | | |
| Greektown Holdings, LLC, 10.75%, 12/01/13 (b)(c)(g) | | 1,059 | 63,540 |
| Tropicana Entertainment LLC, 9.63%, 12/15/14 (b)(g) | | 375 | 234 |
| | | | 63,774 |
| Household Durables 1.3% | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 (c) | | 3,800 | 4,237,000 |
| Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (b)(c)(g) | | 200 | |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | | 3,300 | 3,448,500 |
| | | | 7,685,500 |
| IT Services 0.4% | | | |
| iPayment, Inc., 9.75%, 5/15/14 | | 950 | 828,875 |
| iPayment Investors LP, 11.63%, 7/15/14 (c)(f) | | 1,337 | 1,069,747 |
| SunGard Data Systems, Inc., 4.88%, 1/15/14 | | 215 | 200,756 |
| | | | 2,099,378 |
| Independent Power Producers & Energy Traders 3.1% | | | |
| The AES Corp., 8.75%, 5/15/13 (c) | | 2,803 | 2,852,053 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (c) | | 3,550 | 3,594,375 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (c) | | 1,800 | 1,836,000 |
| NRG Energy, Inc.: | | | |
| 7.25%, 2/01/14 | | 9,710 | 9,782,825 |
| 7.38%, 2/01/16 | | 425 | 419,156 |
| | | | 18,484,409 |
| Industrial Conglomerates 1.5% | | | |
| Sequa Corp. (c): | | | |
| 11.75%, 12/01/15 | | 2,950 | 2,891,000 |

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| | | | |
|--|-----|--------------|--------------|
| 13.50%, 12/01/15 (f) | | 5,870 | 5,884,674 |
| | | | 8,775,674 |
| Machinery 1.1% | | | |
| AGY Holding Corp., 11.00%, 11/15/14 | | 1,500 | 1,200,000 |
| Accuride Corp., 7.50%, 2/26/20 (d)(f) | | 14 | 24,396 |
| Navistar International Corp., 8.25%, 11/01/21 | | 2,700 | 2,740,500 |
| Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (c) | | 2,935 | 2,546,113 |
| Synventive Molding Solutions Sub-Series A, 14.00%, 1/14/11 | | 760 | 22,795 |
| | | | 6,533,804 |
| Marine 0.2% | | | |
| Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (c) | | 1,230 | 1,251,525 |
| Media 6.3% | | | |
| Affinion Group, Inc., 10.13%, 10/15/13 | | 2,825 | 2,853,250 |
| CCH II LLC, 13.50%, 11/30/16 | | 1,406 | 1,660,882 |
| CMP Susquehanna Corp., 3.20%, 5/15/14 (c) | | 194 | 3,880 |
| Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (c) | | 5,850 | 6,003,877 |
| DISH DBS Corp.: | | | |
| 7.00%, 10/01/13 | | 1,450 | 1,482,625 |
| 7.13%, 2/01/16 | | 200 | 200,500 |
| Lighthouse International Co. SA: | | | |
| 8.00%, 4/30/14 | | 613 | 521,684 |
| 8.00%, 4/30/14 (c) | EUR | 235 | 199,993 |
| Network Communications, Inc., 10.75%, 12/01/13 | USD | 1,520 | 699,200 |
| Nielsen Finance LLC, 10.00%, 8/01/14 | | 3,695 | 3,833,562 |
| | | Par | Value |
| Corporate Bonds | | (000) | |
| Media (concluded) | | | |
| ProtoStar I Ltd., 18.00%, 10/15/12 (b)(c)(d)(g) | USD | 3,454 | \$ 3,281,404 |
| Rainbow National Services LLC (c): | | | |
| 8.75%, 9/01/12 | | 925 | 943,500 |
| 10.38%, 9/01/14 | | 3,134 | 3,294,618 |
| Seat Pagine Gialle SpA, 10.50%, 1/31/17 (c) | EUR | 2,060 | 2,596,599 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (c) | USD | 4,815 | 4,387,669 |
| UPC Germany GmbH, 8.13%, 12/01/17 (c) | | 4,500 | 4,500,000 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 (c) | | 1,500 | 1,477,500 |
| | | | 37,940,743 |
| Metals & Mining 1.3% | | | |
| Arch Western Finance LLC, 6.75%, 7/01/13 | | 2,500 | 2,506,250 |

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| | | | |
|--|-----|-------|------------|
| Murray Energy Corp., 10.25%, 10/15/15 (c) | | 1,430 | 1,431,788 |
| New World Resources NV, 7.38%, 5/15/15 | EUR | 1,400 | 1,696,623 |
| Teck Resources Ltd., 10.75%, 5/15/19 | USD | 1,995 | 2,453,850 |
| | | | 8,088,511 |
| Multiline Retail 0.5% | | | |
| Dollar General Corp., 11.88%, 7/15/17 (f) | | 2,458 | 2,857,425 |
| Oil, Gas & Consumable Fuels 2.1% | | | |
| Berry Petroleum Co., 8.25%, 11/01/16 | | 550 | 551,375 |
| Chesapeake Energy Corp.: | | | |
| 6.38%, 6/15/15 | | 335 | 324,113 |
| 7.25%, 12/15/18 | | 2,500 | 2,462,500 |
| Crosstex Energy LP, 8.88%, 2/15/18 (c) | | 855 | 867,825 |
| Denbury Resources, Inc., 8.25%, 2/15/20 | | 975 | 1,009,125 |
| EXCO Resources, Inc., 7.25%, 1/15/11 | | 165 | 165,206 |
| El Paso Corp., 7.00%, 6/15/17 | | 2,500 | 2,507,672 |
| Encore Acquisition Co., 6.00%, 7/15/15 | | 250 | 251,875 |
| Overseas Shipholding Group, Inc., 8.75%, 12/01/13 | | 1,190 | 1,261,400 |
| Sabine Pass LNG LP, 7.50%, 11/30/16 | | 1,515 | 1,329,413 |
| SandRidge Energy, Inc., 8.63%, 4/01/15 (f) | | 180 | 177,300 |
| Whiting Petroleum Corp.: | | | |
| 7.25%, 5/01/12 | | 75 | 75,375 |
| 7.25%, 5/01/13 | | 1,390 | 1,403,900 |
| | | | 12,387,079 |
| Paper & Forest Products 1.7% | | | |
| Domtar Corp., 7.88%, 10/15/11 | | 10 | 10,575 |
| NewPage Corp.: | | | |
| 6.50%, 5/01/12 (a) | | 1,500 | 795,000 |
| 10.00%, 5/01/12 | | 190 | 109,250 |
| 11.38%, 12/31/14 | | 9,845 | 9,401,975 |
| | | | 10,316,800 |
| Pharmaceuticals 0.2% | | | |
| Valeant Pharmaceuticals International, 8.38%, | | | |
| 6/15/16 (c) | | 1,320 | 1,366,200 |
| Professional Services 0.1% | | | |
| FTI Consulting, Inc., 7.75%, 10/01/16 | | 350 | 350,875 |
| Semiconductors & Semiconductor Equipment 0.3% | | | |
| Advanced Micro Devices, Inc., 8.13%, 12/15/17 (c) | | 1,545 | 1,564,312 |
| Software 0.0% | | | |
| BMS Holdings, Inc., 7.89%, 2/15/12 (a)(c)(f) | | 594 | 11,888 |
| Specialty Retail 1.5% | | | |
| General Nutrition Centers, Inc., 10.75%, 3/15/15 | | 870 | 879,788 |

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| | | | |
|--|-----|-------|-----------|
| Group 1 Automotive, Inc., 8.25%, 8/15/13 | | 5,000 | 5,012,500 |
| Sonic Automotive, Inc., Series B, 8.63%, 8/15/13 | | 3,135 | 3,142,837 |
| | | | 9,035,125 |
| Textiles, Apparel & Luxury Goods 0.7% | | | |
| Levi Strauss & Co., 8.63%, 4/01/13 | EUR | 2,400 | 3,284,314 |
| Quiksilver, Inc., 6.88%, 4/15/15 | USD | 1,410 | 1,202,025 |
| | | | 4,486,339 |
| Tobacco 0.2% | | | |
| Reynolds American, Inc., 7.63%, 6/01/16 | | 1,000 | 1,128,801 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------------|
| Corporate Bonds | | | |
| Wireless Telecommunication Services 1.0% | | | |
| Cricket Communications, Inc.: | | | |
| 9.38%, 11/01/14 | USD | 30 | \$ 29,850 |
| 10.00%, 7/15/15 | | 240 | 243,000 |
| 7.75%, 5/15/16 (c) | | 2,250 | 2,286,562 |
| Digicel Group Ltd. (c): | | | |
| 8.88%, 1/15/15 | | 1,120 | 1,069,600 |
| 9.13%, 1/15/15 (f) | | 2,467 | 2,405,325 |
| MetroPCS Wireless, Inc., 9.25%, 11/01/14 | | 270 | 269,325 |
| | | | 6,303,662 |
| Total Corporate Bonds 40.0% | | | 241,797,163 |
| Floating Rate Loan Interests (a) | | | |
| Aerospace & Defense 0.3% | | | |
| Hawker Beechcraft Acquisition Co. LLC: | | | |
| Letter of Credit Facility Deposit, 2.25%, 3/26/14 | | 156 | 114,523 |
| Term Loan, 2.23% 2.25%, 3/26/14 | | 2,623 | 1,930,477 |
| | | | 2,045,000 |
| Auto Components 1.0% | | | |
| Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14 | | | |
| | | 3,983 | 3,647,109 |
| Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15 | | | |
| | | 1,772 | 1,725,777 |
| Dayco Products: | | | |
| Term Loan B, 10.50%, 5/13/14 | | 205 | 196,408 |
| Term Loan C, 12.50%, 11/13/14 (f) | | 29 | 27,901 |
| Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14 | | | |
| | | 325 | 325,674 |
| | | | 5,922,869 |
| Automobiles 0.9% | | | |
| Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13 | | | |
| | | 6,193 | 5,741,990 |
| Beverages 0.2% | | | |
| Culligan International Co., Loan (Second Lien), 5.18%, 4/24/13 | | | |
| | EUR | 1,500 | 844,226 |
| Le-Nature s, Inc., Tranche B Term Loan, 9.50%, | | | |

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| | | | |
|----------------|-----|-------|-----------|
| 3/01/11 (b)(g) | USD | 1,000 | 386,667 |
| | | | 1,230,893 |

Building Products 1.7%

Building Materials Corp. of America:

| | | | |
|--|-----|-------|------------|
| Second Lien Term Loan, 6.00%, 9/15/14 | | 3,500 | 3,444,000 |
| Term Loan Advance, 3.00%, 2/22/14 | | 2,573 | 2,505,526 |
| Custom Building Products, Inc., Loan (Second Lien), 10.75%, 4/20/12 | | 1,500 | 1,445,625 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14 | | 1,343 | 1,348,245 |
| Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.67%, 12/04/13 | EUR | 992 | 1,212,267 |
| United Subcontractors, First Lien Term Loan, 1.76%, 6/30/15 | USD | 143 | 121,834 |
| | | | 10,077,497 |

Capital Markets 0.2%

| | | | |
|---|--|-------|-----------|
| Marsico Parent Co., LLC, Term Loan, 5.25% 7.25%, 12/15/14 | | 381 | 241,724 |
| Nuveen Investments, Inc., Term Loan, 3.25% 3.32%, 11/13/14 | | 1,359 | 1,182,497 |
| | | | 1,424,221 |

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

Chemicals 3.3%

| | | | |
|--|-----|-------|------------|
| Ashland Inc., Term B Borrowing, 7.65%, 5/13/14 | USD | 548 | \$ 554,127 |
| Brenntag AG, Term Loan B, 2.77%, 11/24/37 | EUR | 276 | 364,972 |
| Brenntag Holding GmbH & Co. KG: | | | |
| Facility 3A (Second Lien), 5.02%, 3/21/16 | | 115 | 149,313 |
| Facility 3B (Second Lien), 4.25%, 7/17/15 | USD | 500 | 476,875 |
| Facility 3B (Second Lien), 5.02%, 3/15/16 | EUR | 385 | 500,026 |
| Facility B6A and B6B, 2.77%, 11/24/37 | | 213 | 282,559 |
| Chemtura Corp. Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11 | USD | 1,550 | 1,556,781 |
| Cognis GmbH, Facility B (French): | | | |
| 2.71%, 11/16/13 | EUR | 197 | 254,339 |
| 2.71%, 11/17/13 | | 803 | 1,038,553 |
| Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.25%, 5/31/14 | USD | 447 | 355,577 |
| ElectricInvest Holding Co. Ltd. (Viridian Group PLC), Junior Term Facility, 5.04%, 12/21/12 | GBP | 900 | 1,111,586 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, | | | |

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| | | | |
|---|-----|-------|------------|
| 10/29/14 | USD | 700 | 703,500 |
| Huish Detergents Inc., Tranche B Term Loan, 2.01%, | | | |
| 4/26/14 | | 1,231 | 1,181,818 |
| Ineos US Finance LLC, Term A4 Facility, 7.00%, | | | |
| 12/14/12 | | 294 | 278,172 |
| Nalco Co., Term Loan, 6.50%, 5/13/16 | | | |
| | | 2,065 | 2,079,077 |
| PQ Corp. (fka Niagara Acquisition, Inc.), Original | | | |
| Term Loan (First Lien), 3.48% 3.50%, 7/30/14 | | | |
| | | 3,940 | 3,605,100 |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, | | | |
| 5/15/14 | | 1,936 | 1,941,357 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | | | |
| | | 1,284 | 1,300,657 |
| Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%, | | | |
| 6/24/10 | | 1,900 | 1,949,780 |
| | | | 19,684,169 |
| Commercial Services & Supplies 1.6% | | | |
| ARAMARK Corp.: | | | |
| Letter of Credit Facility, 2.11%, 1/26/14 | | | |
| | | 185 | 176,173 |
| US Term Loan, 2.13%, 1/26/14 | | | |
| | | 2,808 | 2,678,830 |
| Casella Waste Systems, Inc, Term B Loan, 7.00%, | | | |
| 4/09/14 | | 632 | 635,774 |
| SIRVA Worldwide, Inc., Loan (Second Lien), 12.00%, | | | |
| 5/12/15 | | 275 | 27,487 |
| Synagro Technologies, Inc., Term Loan (First Lien), | | | |
| 2.23%, 4/02/14 | | | |
| | | 2,702 | 2,381,833 |
| West Corp., Incremental Term B-3 Loan, 7.25%, | | | |
| 10/24/13 | | 3,458 | 3,492,662 |
| | | | 9,392,759 |
| Construction & Engineering 0.6% | | | |
| Safway First Out Term Loan, 9.00%, 12/14/17 | | | |
| | | 3,750 | 3,750,000 |
| Consumer Finance 1.6% | | | |
| Chrysler Financial Corp. Return of Capital, 4.24%, | | | |
| 8/03/12 | | 2,750 | 2,650,313 |
| DaimlerChrysler Financial Services Americas LLC, | | | |
| Term Loan (First Lien), 4.24%, 8/03/12 | | | |
| | | 6,932 | 6,843,832 |
| | | | 9,494,145 |
| Containers & Packaging 0.6% | | | |
| Anchor Glass Term Loan B, 6.00%, 2/18/16 | | | |
| | | 1,200 | 1,196,250 |
| Graham Packaging Co., LP, B Term Loan, 2.50%, | | | |
| 10/07/11 | | 1,478 | 1,457,958 |
| Smurfit-Stone Container, Revolving Credit: | | | |
| 0.01% 4.50%, 11/01/09 | | | |
| | | 459 | 456,720 |

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| | | |
|--|-----|---------|
| 0.20% 5.00%, 11/12/09 | 152 | 151,591 |
| Smurfit-Stone Container Canada, Inc.: | | |
| Tranche C, 2.50%, 11/01/11 | 198 | 195,419 |
| Tranche C-1 Term Loan, 2.50%, 11/01/11 | 60 | 59,084 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | | Par | |
|---|-----|-------|-----------|
| | | (000) | Value |
| Floating Rate Loan Interests (a) | | | |
| Containers & Packaging (concluded) | | | |
| Smurfit-Stone Container Enterprises, Inc.: | | | |
| Deposit Funded Facility, 4.50%, 11/01/10 | USD | 92 | \$ 91,124 |
| Tranche B, 2.50%, 11/01/11 | | 105 | 103,702 |
| | | | 3,711,848 |
| Diversified Consumer Services 1.2% | | | |
| Coinmach Service Corp., Term Loan, 3.26%, 11/14/14 | | 4,667 | 4,036,667 |
| Laureate Education Term Loan B, 7.00%, 8/15/14 | | 3,491 | 3,459,567 |
| | | | 7,496,234 |
| Diversified Financial Services 1.0% | | | |
| CIT Group, Inc., Tranche 2A Term Loan, 9.50% 9.75%, 1/20/12 | | 4,338 | 4,443,227 |
| Professional Service Industries, Inc., Term Loan (First Lien), 2.98%, 10/31/12 | | 526 | 263,219 |
| Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15 | | 1,400 | 1,408,750 |
| | | | 6,115,196 |
| Diversified Telecommunication Services 1.3% | | | |
| Cavtel Holdings, LLC, Term Loan, 2.00% 8.50%, 12/31/12 (f) | | 1,194 | 1,022,026 |
| Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 | | 1,938 | 1,458,142 |
| Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13 | | 1,467 | 1,466,576 |
| US Telepacific Corp., Second Lien Term Loan, 7.75%, 7/25/15 | | 1,175 | 1,177,203 |
| Wind Telecomunicazioni SpA, A1 Term Loan Facility, 2.92%, 9/22/12 | EUR | 2,081 | 2,725,660 |
| | | | 7,849,607 |
| Electric Utilities 0.1% | | | |
| TPF Generation Holdings, LLC: | | | |
| Synthetic Letter of Credit Deposit (First Lien), 2.25%, 12/15/13 | USD | 151 | 145,148 |
| Synthetic Revolving Deposit, 2.25%, 12/15/11 | | 47 | 45,501 |
| Term Loan (First Lien), 2.23%, 12/15/13 | | 390 | 375,623 |

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| | | | |
|--|-----|--------------|--------------|
| | | | 566,272 |
| Electrical Equipment 0.1% | | | |
| Electrical Components International Holdings Co. (ECI), | | | |
| Term Loan (Second Lien), 11.50%, 5/01/14 (b)(g) | | 500 | 50,000 |
| Generac Acquisition Corp., Term Loan (First Lien), 2.75%, 11/10/13 | | 682 | 625,142 |
| | | | 675,142 |
| Electronic Equipment, Instruments & Components 0.9% | | | |
| Flextronics International Ltd.: | | | |
| A Closing Date Loan, 2.48% 2.50%, 10/01/14 | | 1,190 | 1,124,022 |
| Term Loan B, 2.50%, 10/01/12 | | 3,699 | 3,569,985 |
| Matinvest 2 SAS/ Butterfly Wendel US, Inc. (Deutsche Connector): | | | |
| B-2 Facility, 2.75%, 6/22/14 | | 478 | 373,989 |
| C-2 Facility, 3.00%, 6/22/15 | | 829 | 648,863 |
| | | | 5,716,859 |
| Energy Equipment & Services 0.6% | | | |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16 | | | |
| | | 2,726 | 2,676,266 |
| Trinidad USA Partnership LP, US Term Loan, 2.73%, 5/01/11 | | | |
| | | 1,014 | 938,389 |
| | | | 3,614,655 |
| Food & Staples Retailing 1.8% | | | |
| AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15 | | | |
| | GBP | 3,500 | 4,780,909 |
| DS Waters of America, Inc., Term Loan, 4.25%, 3/02/12 USD | | | |
| | | 400 | 352,000 |
| | | | |
| | | Par | |
| Floating Rate Loan Interests (a) | | (000) | Value |
| Food & Staples Retailing (concluded) | | | |
| Pilot Travel Centers Term Loan B, 3.50%, 11/18/15 | | | |
| | USD | 3,500 | \$ 3,516,226 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | | | |
| | | 2,150 | 2,227,400 |
| | | | 10,876,535 |
| Food Products 1.7% | | | |
| Dole Food Co., Inc.: | | | |
| Credit-Linked Deposit, 7.89%, 4/12/13 | | 280 | 279,689 |
| Term Loan B, 3.50%, 2/10/17 | | 824 | 823,941 |
| Term Loan C, 5.50%, 2/10/17 | | 1,976 | 1,977,459 |
| Tranche B Term Loan, 8.00%, 4/12/13 | | 486 | 486,395 |
| Michael Foods, Term Loan B, 6.50% 6.75%, 4/24/14 | | | |
| | | 1,375 | 1,380,606 |

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| | | |
|---|-------|------------|
| Pilgrim s Pride Corp. Term Loan A, 5.29%, 12/01/12 | 1,100 | 1,083,500 |
| Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14 | 2,800 | 2,811,500 |
| Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13 | 1,578 | 1,578,124 |
| | | 10,421,214 |
| Health Care Equipment & Supplies 0.6% | | |
| Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15 | 1,670 | 1,615,045 |
| DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14 | 2,212 | 2,137,091 |
| | | 3,752,136 |
| Health Care Providers & Services 2.0% | | |
| CCS Medical, Inc. (Chronic Care), Loan (Debtor in Possession), 13.00%, 3/31/10 | 31 | 31,247 |
| CHS/Community Health Systems, Inc.: | | |
| Delayed Draw Term Loan, 2.50%, 7/25/14 | 274 | 256,333 |
| Funded Term Loan, 2.48% 2.50%, 7/25/14 | 5,371 | 5,018,083 |
| Catalent Pharma Solutions, Inc. (fka Cardinal Health 409, Inc.), Euro Term Loan, 2.67%, 11/19/37 EUR | 653 | 787,299 |
| DaVita Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12 | 600 | 585,975 |
| HCA Inc., Tranche A-1 Term Loan, 1.75%, 11/16/12 | 2,324 | 2,195,189 |
| HealthSouth Corp., Term Loan, 2.51%, 3/10/13 | 1,261 | 1,219,679 |
| Vanguard Health Systems Term Loan B, 5.00%, 1/29/16 | 1,800 | 1,802,250 |
| | | 11,896,055 |
| Health Care Technology 0.6% | | |
| IMS Healthcare Term Loan B, 5.25%, 2/16/16 | 3,000 | 3,012,000 |
| Sunquest Information Systems, Inc. (Misys Hospital Systems, Inc.), Term Loan, 3.48%, 10/13/14 | 368 | 337,566 |
| | | 3,349,566 |
| Hotels Restaurants & Leisure 5.0% | | |
| BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 7/18/11 (b)(g) | 1,989 | 1,362,469 |
| CCM Merger Inc. (Motor City Casino), Term B Loan, 8.50%, 7/13/12 | 1,481 | 1,459,568 |
| Cedar Fair LP Term Loan B, 4.00%, 2/04/16 | 2,250 | 2,246,485 |
| Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.50%, 8/16/14 | 1,500 | 150,000 |
| Harrah s Operating Co., Inc.: | | |
| Term B-1 Loan, 3.25%, 1/28/15 | 449 | 361,615 |
| Term B-3 Loan, 3.25%, 1/28/15 | 546 | 440,197 |

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| | | |
|---|-------|------------|
| Term B-4 Loan, 9.50%, 10/31/16 | 1,250 | 1,246,527 |
| OSI Restaurant Partners, LLC, Pre-Funded Revolving Credit Loan, 0.07% 2.56%, 6/14/13 | 32 | 28,486 |
| Penn National Gaming, Inc., Term Loan B, 1.98% 2.00%, 10/03/12 | 2,828 | 2,769,103 |
| QCE, LLC (Quiznos), Term Loan (Second Lien), 2.56%, 5/05/13 | 955 | 814,529 |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16 | 3,250 | 3,264,219 |
| Six Flags Theme Parks, Inc. Term Loan, 4.50%, 6/13/15 | 7,750 | 7,678,312 |
| Travelport LLC (fka Travelport Inc.), Loan, 8.25%, 3/27/12 | 4,822 | 4,411,737 |
| Universal City Development Term Loan B, 7.75%, 11/06/14 | 3,750 | 3,771,094 |
| | | 30,004,341 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|-----------|
| Floating Rate Loan Interests (a) | | | |
| Household Durables 0.0% | | | |
| Berkline/Benchcraft, LLC., Term Loan, 14.00%, 11/03/11 (b)(f)(g) | USD | 116 | \$ 5,776 |
| Household Products 0.2% | | | |
| Central Garden & Pet Co., Tranche B Term Loan, 3.75%, 9/30/12 | | 985 | 930,466 |
| IT Services 1.5% | | | |
| Amadeus IT Group SA / Amadeus Verwaltungs GmbH: | | | |
| Term B3 Facility, 2.43%, 6/30/13 | EUR | 307 | 399,336 |
| Term B4 Facility, 2.43%, 6/30/13 | | 184 | 238,423 |
| Term C3 Facility, 2.93% , 6/30/14 | | 491 | 637,759 |
| Audio Visual Services Group, Inc., Loan (Second Lien), 5.76%, 8/28/14 | USD | 1,077 | 107,704 |
| Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14 | | 1,385 | 1,211,163 |
| First Data Corp.: | | | |
| Initial Tranche B-1 Term Loan, 2.98%, 9/24/14 | | 2,818 | 2,461,785 |
| Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | | 1,231 | 1,073,629 |
| Initial Tranche B-3 Term Loan, 3.00%, 9/24/14 | | 560 | 487,080 |
| RedPrairie Corp., Term Loan B, 3.31%, 7/20/12 | | 564 | 546,680 |
| SunGard Data Systems, Inc. (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14 | | 1,191 | 1,195,123 |
| Travelex Plc: | | | |
| Term Loan B, 0.00%, 10/31/13 | | 500 | 456,666 |
| Term Loan C, 3.29%, 10/31/14 | | 500 | 456,667 |
| | | | 9,272,015 |
| Independent Power Producers & Energy Traders 0.7% | | | |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | | |
| Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14 | | 2,571 | 2,067,244 |
| Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14 | | 2,719 | 2,174,968 |
| | | | 4,242,212 |
| Leisure Equipment & Products 0.1% | | | |
| 24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, | | | |

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| | | | |
|--|-----|--------------|--------------|
| 2.76%, 6/08/12 | | 575 | 543,375 |
| Machinery 1.4% | | | |
| Accuride Term Loan, 9.75%, 1/31/12 | | 2,935 | 2,928,886 |
| Blount International Term Loan, 5.50% 5.75%, 2/09/12 | | 648 | 646,168 |
| Bucyrus International Term Loan C, 4.50%, 1/26/16 | | 2,000 | 2,010,600 |
| LN Acquisition Corp. (Lincoln Industrial), Initial Term Loan (Second Lien), 5.98%, 1/09/15 | | 1,500 | 1,260,000 |
| Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13 | | 1,364 | 1,362,855 |
| | | | 8,208,509 |
| Media 10.2% | | | |
| Affinion Group Holdings, Inc., Loan, 7.89%, 3/01/12 | | 1,091 | 1,030,755 |
| Alpha Topco Ltd. (Formula One), Facility D, 3.82%, 6/30/14 | | 1,000 | 873,889 |
| Atlantic Broadband, Term Loan B, 6.75%, 6/01/13 | | 931 | 927,809 |
| Atlantic Broadband Finance, LLC, Tranche B-2 Term Loan, 2.51%, 9/01/11 | | 35 | 34,001 |
| Catalina Marketing Corp., Initial Term Loan, 2.98%, 10/01/14 | | 587 | 566,420 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 4,094 | 4,052,813 |
| Cequel Communications, LLC, Tranche B Term Loan (Second Lien), 6.25%, 5/05/14 | | 3,738 | 3,744,160 |
| Charter Communications Operating, LLC, New Term Loan, 2.23%, 3/06/14 | | 7,000 | 6,529,404 |
| FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15 | | 1,888 | 1,812,806 |
| | | Par | Value |
| Floating Rate Loan Interests (a) | | (000) | |
| Media (concluded) | | | |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14 | USD | 2,707 | \$ 1,209,008 |
| HIT Entertainment, Inc., Term Loan (Second Lien), 5.75%, 2/26/13 | | 1,000 | 572,500 |
| HMH Publishing Co. Ltd.: | | | |
| Mezzanine, 17.50%, 11/14/14 | | 2,007 | 247,581 |
| Tranche A Term Loan, 5.48%, 6/12/14 | | 1,641 | 1,380,154 |
| Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.73% 2.75%, 6/30/14 | | 1,462 | 1,278,383 |

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| | | | |
|--|-----|-------|-----------|
| Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14 | | 1,550 | 1,488,242 |
| Intelsat Corp. (fka PanAmSat Corp.): | | | |
| Tranche B-2-A Term Loan, 2.73%, 1/03/14 | | 584 | 555,635 |
| Tranche B-2-B Term Loan, 2.73%, 1/03/14 | | 584 | 555,465 |
| Tranche B-2-C Term Loan, 2.73%, 1/03/14 | | 584 | 555,465 |
| Lamar Media Corp.: | | | |
| Series B Incremental Loan, 5.50% 5.75%, 9/28/12 | | 1,985 | 1,970,117 |
| Term Loan, 5.50% 5.75%, 9/28/12 | | 1,732 | 1,718,825 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): | | | |
| Facility B1, 3.34%, 6/30/15 | EUR | 337 | 314,143 |
| Facility C1, 3.59%, 6/30/16 | | 337 | 314,143 |
| Facility D, 4.71%, 12/28/16 | | 904 | 663,874 |
| MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16 | USD | 447 | 450,172 |
| MCNA Cable Holdings LLC (OneLink Communications), Loan, 7.23%, 3/01/13 (f) | | 1,933 | 1,508,054 |
| Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | | 998 | 996,243 |
| Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 20.50%, 4/09/12 | | 1,019 | 612,415 |
| Multicultural Radio Broadcasting, Inc., Term Loan, 5.00%, 12/18/12 | | 304 | 241,300 |
| New Vision Exit Term Loan, 13.00%, 10/01/12 | | 160 | 160,850 |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | 4,505 | 4,814,719 |
| Nielsen Finance LLC: | | | |
| Class A Dollar Term Loan, 2.23%, 8/09/13 | | 1,026 | 965,947 |
| Class B Dollar Term Loan, 3.98%, 5/01/16 | | 2,704 | 2,618,271 |
| Penton Media, Inc.: | | | |
| Loan (Second Lien), 9.25%, 2/01/14 (b)(g) | | 1,000 | 133,333 |
| Term Loan (First Lien), 2.48% 2.50%, 2/01/13 | | 1,094 | 798,666 |
| Protostar Ltd., Debtor in Possession Term Loan, 18.00%, 3/15/10 | | 692 | 691,656 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 1,700 | 2,287,808 |
| Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12 | USD | 2,407 | 2,116,241 |
| TWCC Holding Corp., Term Loan, 7.25%, 9/14/15 | | 1,488 | 1,491,780 |
| Telecommunications Management, LLC: | | | |

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| | | | |
|--|-----|-------|------------|
| Multi-Draw Term Loan, 3.48%, 6/30/13 | | 231 | 189,536 |
| Term Loan, 3.48%, 6/30/13 | | 917 | 751,735 |
| UPC Financing Partnership, Facility U, 4.99%, 12/31/17 | EUR | 1,838 | 2,331,070 |
| Virgin Media Investment Holdings Ltd., C Facility, 3.58%, 7/17/13 | GBP | 2,000 | 2,848,852 |
| Worldcolor Press, Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | USD | 1,295 | 1,308,259 |
| Yell Group Plc, Term Loan B, 3.98%, 7/31/14 | | 1,817 | 1,365,829 |
| Yell Group Plc TPI Term Loan A, 7.12%, 8/09/11 | | 898 | 859,788 |
| | | | 61,938,116 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|-----------|
| Floating Rate Loan Interests (a) | | | |
| Multi-Utilities 0.2% | | | |
| FirstLight Power Resources, Inc. (fka NE Energy, Inc.): | | | |
| Synthetic Letter of Credit, 2.76%, 11/01/13 | USD | 83 | \$ 77,251 |
| Term B Advance (First Lien), 2.75%, 11/01/13 | | 899 | 839,093 |
| MACH Gen, LLC, Synthetic Letter of Credit Loan | | | |
| (First Lien), 2.25%, 2/22/13 | | 69 | 63,604 |
| | | | 979,948 |
| Multiline Retail 0.6% | | | |
| Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14 | | | |
| | | 213 | 205,314 |
| Hema Holding BV, Facility D, 5.42%, 1/01/17 | | | |
| | EUR | 2,600 | 2,973,856 |
| The Neiman Marcus Group Inc., Term Loan, 2.25%, 4/06/13 | | | |
| | USD | 350 | 314,145 |
| | | | 3,493,315 |
| Oil, Gas & Consumable Fuels 1.5% | | | |
| Big West Oil, LLC: | | | |
| Delayed Advance Loan, 4.50%, 5/15/14 | | 1,268 | 1,242,334 |
| Initial Advance Loan, 4.50%, 5/15/14 | | 1,007 | 987,220 |
| Initial Advance Loan, 9.75%, 1/26/15 | | 2,250 | 2,261,250 |
| Coffeyville Resources, LLC, Tranche D Term Loan, 8.50%, 12/30/13 | | | |
| | | 735 | 739,376 |
| Drummond Co., Inc., Term Advance, 1.48%, 2/14/11 | | | |
| | | 825 | 800,250 |
| Niska Gas Storage Canada ULC, Canadian Term Loan B, 1.98%, 5/12/13 | | | |
| | | 448 | 429,357 |
| Niska Gas Storage US, LLC, US Term B Loan, 1.98%, 5/12/13 | | | |
| | | 47 | 45,107 |
| Niska Gas Storage US, LLC, Wild Goose Acquisition | | | |
| Draw-US Term B, 1.98%, 5/12/13 | | 32 | 30,555 |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (f) | | | |
| | | 3,107 | 2,330,043 |
| | | | 8,865,492 |
| Paper & Forest Products 0.8% | | | |
| Georgia-Pacific LLC, Term Loan B: | | | |
| 2.24% 2.25%, 12/20/12 | | 1,677 | 1,638,086 |
| 2.25% 2.26%, 12/23/12 | | 3,245 | 3,169,217 |
| Verso Paper Finance Holdings LLC, Loan, | | | |

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| | | |
|--------------------------|-----|-----------|
| 6.50% 7.25%, 2/01/13 (f) | 621 | 341,337 |
| | | 5,148,640 |

Personal Products 0.3%

American Safety Razor Co., LLC:

| | | |
|--|-------|-----------|
| Term Loan (First Lien), 2.75% 2.76%, 7/31/13 | 723 | 656,472 |
| Loan (Second Lien), 6.51%, 1/30/14 | 1,925 | 1,126,125 |
| | | 1,782,597 |

Pharmaceuticals 0.6%

| | | |
|--|-------|-----------|
| Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14 | 881 | 881,135 |
| Warner Chilcott Corp., Term B-1 Loan, 5.75%, 4/30/15 | 2,755 | 2,754,568 |
| | | 3,635,703 |

Professional Services 0.2%

| | | |
|--|-------|-----------|
| Booz Allen Hamilton, Inc., Term Loan C, 6.00%, 7/31/15 | 1,500 | 1,504,687 |
|--|-------|-----------|

Real Estate Management & Development 1.1%

| | | |
|---|-------|-----------|
| Enclave, First Lien Term Loan, 6.14%, 3/01/12 | 3,000 | 325,689 |
| Georgian Towers, Term Loan, 2.25% 2.26%, 3/01/12 | 3,000 | 310,104 |
| Pivotal Promontory, LLC, Second Lien Term Loan, 12.00%, 8/31/11 (b)(g) | 750 | 37,500 |
| Realogy Corp.: | | |
| Delayed Draw Term B Loan, 3.25%, 10/10/13 | 2,618 | 2,308,867 |
| Initial Term B Loan, 3.25%, 10/10/13 | 982 | 866,236 |
| Synthetic Letter of Credit, 3.23%, 10/10/13 | 264 | 233,218 |
| Term Loan (Second Lien), 13.50%, 10/15/17 | 2,250 | 2,446,875 |
| | | 6,528,489 |

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

Floating Rate Loan Interests (a)

Software 0.1%

| | | |
|--|------------|---------|
| Bankruptcy Management Solutions, Inc., Term Loan (First Lien), 4.23%, 7/31/12 | USD 935 \$ | 631,293 |
|--|------------|---------|

Specialty Retail 0.8%

| | | |
|---|-------|-----------|
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13 | 1,018 | 981,507 |
| Michaels Stores, Inc.: | | |
| Term Loan B, 2.50% -2.56%, 10/31/13 | 1,798 | 1,619,617 |
| Term Loan B-1, 4.75% 4.81%, 7/31/16 | 671 | 638,871 |
| Orchard Supply Hardware, Term Loan B, 2.68%, 12/21/13 | 1,500 | 1,340,100 |
| | | 4,580,095 |

Textiles, Apparel & Luxury Goods 0.1%

| | | |
|---|--|--|
| St. John Knits International, Inc., Term Loan, 9.25%, | | |
|---|--|--|

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| | | |
|--|-------------------|-------------|
| 3/23/12 | 571 | 513,571 |
| Trading Companies & Distributors 0.2% | | |
| Beacon Sales Acquisition, Inc., Term B Loan, 2.23% 2.25%, 9/30/13 | 1,160 | 1,089,933 |
| Wireless Telecommunication Services 0.6% | | |
| Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12 | 3,884 | 3,738,477 |
| Total Floating Rate Loan Interests 50.1% | | 302,441,912 |
| Foreign Agency Obligations | | |
| Peru Government International Bond, 8.38%, 5/03/16 | 4,871 | 5,930,443 |
| Turkey Government International Bond, 7.00%, 9/26/16 | 5,093 | 5,602,300 |
| Total Foreign Agency Obligations 1.9% | | 11,532,743 |
| Non-Agency Mortgage Backed Securities | | |
| Commercial Mortgage-Backed Securities 2.6% | | |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A2, 5.86%, 2/15/51 (a)(h) | 15,000 | 15,576,712 |
| Total Non-Agency Mortgage Backed Securities 2.6% | | 15,576,712 |
| | Beneficial | |
| | Interest | |
| | (000) | |
| Other Interests (i) | | |
| Auto Components 0.9% | | |
| Dayco Products LLC Mark IV Industrials, Inc. | 9 | 203,192 |
| Delphi Debtor in Possession Holding Co. LLP, Class B Membership Interests | (j) | 5,338,579 |
| Lear Corp. Escrow | 1,000 | 15,000 |
| | | 5,556,771 |
| Diversified Financial Services 0.2% | | |
| J.G. Wentworth LLC, Preferred Equity Interests | 1 | 1,257,920 |
| Health Care Providers & Services 0.0% | | |
| Critical Care Systems International, Inc. | 8 | 1,525 |
| Household Durables 0.0% | | |
| Berkline Benchcraft Equity LLC | 3 | |
| Total Other Interests 1.1% | | 6,816,216 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

| Preferred Stocks | Shares | Value |
|--|------------------|-------------|
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (k) | 45,243 | \$ |
| Specialty Retail 0.1% | | |
| Lazydays RV Center, Inc. (b) | 224 | 223,800 |
| Total Preferred Stocks 0.1% | | 223,800 |
| U.S. Government Sponsored | Par | |
| Agency Securities | (000) | |
| Mortgaged-Backed Securities 22.1% | | |
| Fannie Mae Mortgage Backed Securities: | | |
| 5.00%, 3/15/25 4/15/25 (l) USD | 121,000 | 127,354,002 |
| 5.50%, 12/01/28 11/01/33 | 5,780 | 6,119,189 |
| 5.50%, 3/01/32 | 226 | 240,118 |
| 5.50%, 7/01/33 (m) | 15 | 15,433 |
| Total U.S. Government Sponsored | | |
| Agency Securities 22.1% | | 133,728,742 |
| U.S. Treasury Obligations | | |
| U.S. Treasury Notes, 4.25%, 8/15/15 | 1,815 | 1,982,887 |
| Total U.S. Treasury Obligations 0.3% | | 1,982,887 |
| Warrants (n) | Shares | |
| Machinery 0.0% | | |
| Synventive Molding Solutions (expires 1/15/13) | 1 | |
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) | 51,701 | |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Turbo Cayman Ltd. (no expiration) | 2 | |
| Total Warrants 0.0% | | |
| Total Long-Term Investments | | |
| (Cost \$755,528,446) 120.4% | | 727,565,598 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (o)(p) | 32,179,987 | 32,179,987 |
| Total Short-Term Securities | | |
| (Cost \$32,179,987) 5.3% | | 32,179,987 |
| Options Purchased | Contracts | |
| Over-the-Counter Call Options 0.0% | | |

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Marsico Parent Superholdco LLC,

Strike Price \$942.86, Expires 12/21/19,

Broker Goldman Sachs Bank USA

46

8,740

Total Options Purchased

(Cost \$44,978) 0.0%

8,740

Total Investments (Cost \$787,753,411*) 125.7%

759,754,325

Liabilities in Excess of Other Assets (25.7)%

(155,382,595)

Net Assets 100.0%

\$604,371,730

* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 788,309,025 |
| Gross unrealized appreciation | \$ 18,987,503 |
| Gross unrealized depreciation | (47,542,203) |
| Net unrealized depreciation | \$ (28,554,700) |

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

(b) Non-income producing security.

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

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

(d) Convertible security.

(e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

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

(g) Issuer filed for bankruptcy and/or is in default of interest payments.

(h) All or a portion of security has been pledged as collateral in connection with TALF Program.

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

(j) Amount is less than \$1,000.

(k) Security is perpetual in nature and has no stated maturity date.

(l) Represents or includes a to-be-announced (TBA) transaction. Unsettled TBA transactions as of report date were as follows:

| Counterparty | Value | Unrealized Appreciation |
|---------------------|----------------|------------------------------------|
| Goldman Sachs & Co. | \$ 127,354,002 | \$ 182,315 |

(m) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.

(n) 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

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shares are subject to adjustment under certain conditions until the expiration date.

(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 | Income |
|---|-------------------------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | \$ (64,491,579) | \$ 41,202 |

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

Foreign currency exchange contracts as of February 28, 2010 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|-------------------------------|--------------------------|--|----------------------------|---|
| USD 30,670,173 | EUR 21,311,000 | Citibank NA | 3/24/10 | \$ 1,653,301 |
| EUR 153,000 | USD 209,882 | Citibank NA | 3/24/10 | (1,149) |
| GBP 601,200 | USD 943,411 | Citibank NA | 4/21/10 | (27,065) |
| USD 1,593,960 | GBP 988,000 | Deutsche Bank AG | 4/21/10 | 88,055 |
| USD 10,076,687 | GBP 6,224,000 | Morgan Stanley Capital Services, Inc. | 4/21/10 | 590,097 |
| Total | | | | \$ 2,303,239 |

Financial futures contracts purchased as of February 28, 2010 were as follows:

| Contracts | Issue | Expiration Date | Notional Value | Unrealized Appreciation |
|------------------|---------------------------|----------------------------|---------------------------|------------------------------------|
| 45 | 5-Year U.S. Treasury Bond | June 2010 | USD 5,188,611 | \$ 28,377 |

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Limited Duration Income Trust (BLW)

Credit default swaps on traded indexes buy protection outstanding as of February 28, 2010 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------|----------------------|---------------------------|------------------|-----------------------------|--|
| K. Hovnanian | 5.00% | Goldman Sachs Bank USA | December 2011 | USD 800 | \$ (5,149) |
| K. Hovnanian | 5.00% | Goldman Sachs Bank USA | December 2012 | USD 600 | 4,118 |
| Total | | | | | \$ (1,031) |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the face value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Fund's investments:

Investments in Securities

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| Assets: | | | | |

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Long-Term Investments:

Asset-Backed

| | | | | |
|------------------|----------------------|----------------------|----------------------|----------------------|
| Securities | | \$ 9,345,317 | \$ 2,766,839 | \$ 12,112,156 |
| Common Stocks | \$ 852,160 | 362,363 | 138,744 | 1,353,267 |
| Corporate Bonds | | 238,424,471 | 3,372,692 | 241,797,163 |
| Floating Rate | | | | |
| Loan Interests | | 228,933,277 | 73,508,635 | 302,441,912 |
| Foreign Agency | | | | |
| Obligations | | 11,532,743 | | 11,532,743 |
| Non-Agency | | | | |
| Mortgage-Backed | | | | |
| Securities | | 15,576,712 | | 15,576,712 |
| Other Interests | | 15,000 | 6,801,216 | 6,816,216 |
| Preferred Stocks | | | 223,800 | 223,800 |
| U.S. Government | | | | |
| Sponsored Agency | | | | |
| Securities | | 133,728,742 | | 133,728,742 |
| U.S. Treasury | | | | |
| Obligations | | 1,982,887 | | 1,982,887 |
| Short Term | | | | |
| Securities | 32,179,987 | | | 32,179,987 |
| Total | \$ 33,032,147 | \$639,901,512 | \$ 86,811,926 | \$759,745,585 |

Other Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|------------------|---------------------|--------------------|------------------|
| Assets | \$ 28,377 | \$ 2,344,311 | \$ 1,550 | \$ 2,374,238 |
| Liabilities | | (33,363) | (82,039) | (115,402) |
| Total | \$ 28,377 | \$ 2,310,948 | \$ (80,489) | 2,258,836 |

¹ Other financial instruments are swaps, foreign currency exchange contracts, options and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

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

| | Investments in Securities | | | | | | |
|--------------------------------|----------------------------|------------------|--------------------|-------------------|--------------------|---------------------|---------------|
| | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating | | Preferred Stocks | Total |
| | | | | Rate Interests | Other Interests | | |
| | | | | | | | |
| Balance, as of August 31, 2009 | \$ 2,668,212 | \$ 81,956 | \$ 6,270,943 | \$83,910,390 | \$ 504,368 | | \$ 93,435,869 |
| Accrued discounts/premiums | | | | | | | |

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| | | | | | | | |
|---|--------------|------------|--------------|--------------|-----------|------------|---------------|
| Realized gain (loss) | | | (805,867) | (7,708,595) | (29,532) | | (8,543,994) |
| Change in unrealized appreciation/depreciation ² | 98,627 | 4,558 | 6,679,827 | 20,096,018 | 2,571,581 | | 29,450,611 |
| Net purchases (sales) | | | (5,313,951) | (17,998,932) | | | (23,312,883) |
| Net transfers in/out of Level 3 | | 52,230 | (3,458,260) | (4,790,246) | 3,754,799 | \$ 223,800 | (4,217,677) |
| | | | | | | \$ | |
| Balance, as of February 28, 2010 | \$ 2,766,839 | \$ 138,744 | \$ 3,372,692 | \$73,508,635 | 6,801,216 | \$ 223,800 | \$ 86,811,926 |

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held at February 28, 2010 was \$14,894,205.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

| | Other Financial Instruments³ | |
|--|--|--------------------|
| | Assets | Liabilities |
| Balance, as of August 31, 2009 | \$ 63,812 | |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/depreciation | | |
| Net purchases (sales) | | |
| Net transfers in/out of Level 3 | (62,262) | \$ (82,039) |
| Balance as of February 28, 2010 | \$ 1,550 | \$ (82,039) |

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

Statements of Assets and Liabilities

| | BlackRock Defined Opportunity Credit Trust (BHL) | BlackRock Diversified Income Strategies Fund, Inc. (DVF) | BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) | BlackRock Limited Duration Income Trust (BLW) |
|--|--|---|---|--|
| February 28, 2010 (Unaudited) | | | | |
| Assets | | | | |
| | | | | \$ |
| Investments at value unaffiliated ¹ | \$ 147,264,593 | \$ 160,134,341 | \$ 316,081,614 | 727,574,338 |
| Investments at value affiliated ² | 2,618,127 | 1,615,121 | 1,442,325 | 32,179,987 |
| Unrealized appreciation on foreign currency exchange contracts | 756,237 | 410,722 | 974,775 | 2,331,453 |
| Unrealized appreciation on unfunded loan commitments | 7,410 | 3,737 | 7,813 | 1,550 |
| Unrealized appreciation on swaps | | | 1,712 | 4,118 |
| Foreign currency at value ³ | 214,110 | 199,081 | 1,619,118 | 1,090,253 |
| Cash | | | 496,388 | |
| Cash pledged as collateral in connection with swaps | | 2,200,000 | | |
| Investments sold receivable | 7,183,450 | 6,194,764 | 17,409,182 | 96,137,091 |
| Interest receivable | 1,142,398 | 1,766,095 | 3,820,307 | 8,256,672 |
| Principal paydown receivable | 144,438 | 195,776 | 183,355 | 820,421 |
| Swap premium paid | | 4,463 | | 91,170 |
| Income receivable affiliated | | | | 598 |
| Dividends receivable | | 16,822 | | |
| Swaps receivable | | 71,970 | 14,778 | |
| Commitment fees receivable | 468 | 344 | 1,692 | 21 |
| Margin variation receivable | | | | 11,250 |
| Prepaid expenses | 48,790 | 43,771 | 88,878 | 60,055 |
| Other assets | | 63,900 | | 492,614 |
| Total assets | 159,380,021 | 172,920,907 | 342,141,937 | 869,051,591 |
| Liabilities | | | | |
| Bank overdraft | | | | 46,182 |
| Loan payable | 23,000,000 | 26,000,000 | 46,000,000 | 12,744,165 |
| Unrealized depreciation on foreign currency exchange contracts | 36,487 | | | 28,214 |
| Unrealized depreciation on unfunded loan commitments | 16,408 | 16,408 | 95,429 | 82,039 |
| Unrealized depreciation on swaps | | 2,025,599 | | 5,149 |
| Investments purchased payable | 15,367,817 | 17,245,895 | 33,932,956 | 251,044,772 |
| Investment advisory fees payable | 111,065 | 90,955 | 182,014 | 257,106 |
| Swaps payable | | 92,073 | | 13,611 |
| Income dividends payable | 76,964 | | | 96,812 |
| Interest expense payable | 47,667 | 58,931 | 115,970 | 56,940 |

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| | | | | |
|--|----------------|----------------|----------------|---------------|
| Officers and Directors' fees payable | 218 | 215 | 738 | 141,088 |
| Other affiliates payable | 466 | 426 | 2,270 | 4,545 |
| Other accrued expenses payable | 214,878 | 93,987 | 104,864 | 157,342 |
| Other liabilities | | 399,955 | 101,768 | 1,896 |
| Total liabilities | 38,871,970 | 46,024,444 | 80,536,009 | 264,679,861 |
| | | | | \$ |
| Net Assets | \$ 120,508,051 | \$ 126,896,463 | \$ 261,605,928 | 604,371,730 |
| Net Assets Consist of | | | | |
| | | | | \$ |
| Paid-in capital ^{4,5,6} | \$ 127,810,765 | \$ 229,734,137 | \$ 349,990,822 | 701,342,104 |
| Undistributed (distributions in excess of) net investment income | (417,467) | (1,069,852) | (1,389,038) | 671,459 |
| Accumulated net realized loss | (8,843,702) | (79,799,548) | (68,976,767) | (72,426,242) |
| Net unrealized appreciation/depreciation | 1,958,455 | (21,968,274) | (18,019,089) | (25,215,591) |
| | | | | \$ |
| Net Assets | \$ 120,508,051 | \$ 126,896,463 | \$ 261,605,928 | 604,371,730 |
| Net asset value | \$ 13.38 | \$ 10.30 | \$ 14.24 | \$ 16.38 |
| | | | | \$ |
| ¹ Investment at cost - unaffiliated | \$ 146,018,527 | \$ 180,502,330 | \$ 335,061,136 | 755,573,424 |
| ² Investment at cost - affiliated | \$ 2,618,127 | \$ 1,615,121 | \$ 1,442,325 | \$ 32,179,987 |
| ³ Foreign currency at cost | \$ 215,319 | \$ 200,369 | \$ 1,689,320 | \$ 1,088,344 |
| ⁴ Par value per share | \$ 0.001 | \$ 0.10 | \$ 0.10 | \$ 0.001 |
| ⁵ Shares outstanding | 9,008,704 | 12,322,083 | 18,371,617 | 36,889,650 |
| ⁶ Shares authorized | unlimited | 200 million | 200 million | unlimited |

See Notes to Financial Statements.

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Statements of Assets and Liabilities (concluded)

| February 28, 2010 (Unaudited) | BlackRock Senior Floating Rate Fund, Inc. | BlackRock Senior Floating Rate Fund II, Inc. |
|--|---|--|
| Assets | | |
| | | \$ |
| Investment at value Master Senior Floating Rate (the Master LLC ¹) | \$ 306,223,524 | 156,073,806 |
| Capital shares sold receivable | 506,830 | 698,675 |
| Prepaid expenses | 192,029 | 101,804 |
| Total assets | 306,922,383 | 156,874,285 |
| Liabilities | | |
| Income dividends payable | 1,065,616 | 501,379 |
| Contributions payable to the Master LLC | 506,830 | 698,675 |
| Administration fees payable | 58,069 | 47,175 |
| Other affiliates payable | 4,102 | 750 |
| Officers and Directors fees payable | 402 | 202 |
| Other accrued expenses payable | 146,633 | 61,885 |
| Total liabilities | 1,781,652 | 1,310,066 |
| | | \$ |
| Net Assets | \$ 305,140,731 | 155,564,219 |
| Net Assets Consist of | | |
| | | \$ |
| Paid-in capital ² | \$ 655,175,715 | 224,431,161 |
| Undistributed net investment income | 1,030,342 | 4,358 |
| Accumulated net realized loss allocated from the Master LLC | (328,655,275) | (59,386,708) |
| Net unrealized appreciation/depreciation allocated from the Master LLC | (22,410,051) | (9,484,592) |
| | | \$ |
| Net Assets | \$ 305,140,731 | 155,564,219 |
| Net asset value | \$ 7.54 | \$ 8.17 |
| | | \$ |
| ¹ Cost investment in Master LLC | \$ 328,633,575 | 165,558,398 |
| ² Shares outstanding, par value \$0.10 per share, 1 billion shares authorized | 40,453,407 | 19,044,477 |

See Notes to Financial Statements.

Statements of Operations

| | BlackRock Defined Opportunity Credit Trust (BHL) | BlackRock Diversified Income Strategies Fund, Inc. (DVF) | BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) | BlackRock Limited Duration Income Trust (BLW) |
|--|--|---|---|--|
| Six Months Ended February 28, 2010 (Unaudited) | | | | |
| Investment Income | | | | |
| | | | | \$ |
| Interest | \$ 4,640,353 | \$ 5,922,488 | \$ 10,024,717 | 20,517,199 |
| Facility and other fees | 81,636 | 49,074 | 155,046 | 662,100 |
| Income affiliated | 2,405 | 2,200 | 3,046 | 47,811 |
| Total income | 4,724,394 | 5,973,762 | 10,182,809 | 21,227,110 |
| Expenses | | | | |
| Investment advisory | 709,522 | 541,770 | 1,129,581 | 1,604,714 |
| Borrowing costs ¹ | 84,610 | 74,834 | 137,203 | 12,195 |
| Professional | 72,797 | 53,219 | 66,464 | 65,563 |
| Custodian | 32,726 | 12,600 | 40,660 | 68,535 |
| Printing | 18,446 | 12,402 | 24,157 | 118,889 |
| Accounting services | 16,527 | 14,959 | 33,198 | 62,659 |
| Transfer agent | 10,497 | 13,762 | 16,437 | 6,074 |
| Officer and Directors | 6,852 | 6,802 | 12,496 | 43,260 |
| Registration | 4,879 | 4,543 | 4,035 | 6,016 |
| Miscellaneous | 26,750 | 25,504 | 49,097 | 51,047 |
| Total expenses excluding interest expense | 983,606 | 760,395 | 1,513,328 | 2,038,952 |
| Interest expense | 153,005 | 143,722 | 301,704 | 87,333 |
| Total expenses | 1,136,611 | 904,117 | 1,815,032 | 2,126,285 |
| Less fees waived by advisor | (1,051) | (976) | (1,347) | (18,003) |
| Total expenses after fees waived | 1,135,560 | 903,141 | 1,813,685 | 2,108,282 |
| Net investment income | 3,588,834 | 5,070,621 | 8,369,124 | 19,118,828 |
| Realized and Unrealized Gain (Loss) | | | | |
| Net realized gain (loss) from: | | | | |
| Investments | (413,154) | (10,900,510) | (10,278,981) | (6,058,606) |
| Financial futures contracts | | | | 146,933 |
| Swaps | | (643,991) | (1,205,766) | (246,028) |
| Foreign currency transactions | (424,620) | (114,599) | (754,689) | (678,118) |
| | (837,774) | (11,659,100) | (12,239,436) | (6,835,819) |
| Net change in unrealized appreciation/depreciation on: | | | | |
| Investments | 7,101,599 | 28,613,664 | 34,227,210 | 53,147,641 |
| Financial futures contracts | | | | 6,300 |

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| | | | | |
|---|---------------|---------------|---------------|------------|
| Swaps | | 2,117,407 | 1,110,590 | 82,828 |
| Foreign currency transactions | 943,834 | 520,006 | 1,495,221 | 2,985,372 |
| Unfunded loan commitments | (69,515) | (50,681) | (37,711) | (144,301) |
| | 7,975,918 | 31,200,396 | 36,795,310 | 56,077,840 |
| Total realized and unrealized gain | 7,138,144 | 19,541,296 | 24,555,874 | 49,242,021 |
| | | | | \$ |
| Net Increase in Net Assets Resulting from Operations | \$ 10,726,978 | \$ 24,611,917 | \$ 32,924,998 | 68,360,849 |

¹ See Note 9 of the Notes to Financial Statements for details of borrowings.

See Notes to Financial Statements.

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Statements of Operations (concluded)

| | BlackRock Senior Floating Rate Fund, Inc. | Blackrock Senior Floating Rate Fund II, Inc. |
|--|---|--|
| Six Months Ended February 28, 2010 (Unaudited) | | |
| Investment Income | | |
| Net Investment income allocated from the Master LLC: | | |
| Interest | \$ 9,697,203 | \$ 4,820,149 |
| Income affiliated | 9,913 | 5,061 |
| Facility and other fees | 123,431 | 61,219 |
| Expenses | (1,622,682) | (806,759) |
| Total income | 8,207,865 | 4,079,670 |
| Expenses | | |
| Administration | 380,282 | 302,477 |
| Transfer agent | 143,097 | 42,519 |
| Tender offer | 63,697 | 35,241 |
| Professional | 49,836 | 29,513 |
| Printing | 44,650 | 24,128 |
| Registration | 18,835 | 13,828 |
| Officer and Directors | 481 | 243 |
| Miscellaneous | 6,729 | 6,417 |
| Total expenses | 707,607 | 454,366 |
| Net investment income | 7,500,258 | 3,625,304 |
| Realized and Unrealized Gain (Loss) Allocated from the Master LLC | | |
| Net realized loss from investments, swaps and foreign currency transactions | (13,667,157) | (6,770,208) |
| Net change in unrealized appreciation/depreciation on investments, swaps and foreign currency transactions | 30,014,754 | 14,797,879 |
| Total realized and unrealized gain | 16,347,597 | 8,027,671 |
| | | \$ |
| Net Increase in Net Assets Resulting from Operations | \$ 23,847,855 | 11,652,975 |

See Notes to Financial Statements.

Statements of Changes in Net Assets

BlackRock Defined Opportunity Credit Trust (BHL)

| | Six Months Ended | |
|---|-------------------------------------|----------------------------------|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 3,588,834 | \$ 7,823,996 |
| Net realized loss | (837,774) | (6,261,039) |
| Net change in unrealized appreciation/depreciation | 7,975,918 | (7,306,747) |
| Net increase (decrease) in net assets resulting from operations | 10,726,978 | (5,743,790) |
| Dividends and Distributions to Shareholders From | | |
| Net investment income | (3,080,977) | (9,810,137) |
| Tax return of capital | | (88,324) |
| Decrease in net assets resulting from dividends and distributions to shareholders | (3,080,977) | (9,898,461) |
| Capital Share Transactions | | |
| Reinvestment of dividends | | 809,153 |
| Net Assets | | |
| Total increase (decrease) in net assets | 7,646,001 | (14,833,098) |
| Beginning of period | 112,862,050 | 127,695,148 |
| End of period | \$ 120,508,051 | 112,862,050 |
| Distributions in excess of net investment income | \$ (417,467) | \$ (925,324) |

BlackRock Diversified Income Strategies Fund, Inc.
(DVF)

| | Six Months Ended | |
|---|-------------------------------------|----------------------------------|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 5,070,621 | \$ 12,960,138 |
| Net realized loss | (11,659,100) | (51,026,972) |
| Net change in unrealized appreciation/depreciation | 31,200,396 | (8,137,200) |
| Net increase (decrease) in net assets resulting from operations | 24,611,917 | (46,204,034) |
| Dividends and Distributions to Shareholders From | | |
| Net investment income | (5,430,266) | (13,947,075) |
| Tax return of capital | | (2,882,990) |
| Decrease in net assets resulting from dividends and distributions to shareholders | (5,430,266) | (16,830,065) |
| Capital Share Transactions | | |
| Reinvestment of dividends | 158,417 | 883,415 |

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Net Assets

| | | |
|--|----------------|--------------|
| Total increase (decrease) in net assets | 19,340,068 | (62,150,684) |
| Beginning of period | 107,556,395 | 169,707,079 |
| | | \$ |
| End of period | \$ 126,896,463 | 107,556,395 |
| Distributions in excess of net investment income | \$ (1,069,852) | \$ (710,207) |

See Notes to Financial Statements.

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BlackRock Floating Rate Income Strategies Fund, Inc.
(FRA)
Statements of Changes in Net Assets

| | Six Months Ended | |
|---|-------------------------------------|----------------------------------|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 8,369,124 | \$ 20,915,709 |
| Net realized loss | (12,239,436) | (45,729,155) |
| Net change in unrealized appreciation/depreciation | 36,795,310 | (9,488,290) |
| Net increase (decrease) in net assets resulting from operations | 32,924,998 | (34,301,736) |
| Dividends to Shareholders From | | |
| Net investment income | (8,971,165) | (23,842,077) |
| Capital Share Transactions | | |
| Reinvestment of dividends | 492,531 | 298,574 |
| Net Assets | | |
| Total increase (decrease) in net assets | 24,446,364 | (57,845,239) |
| Beginning of period | 237,159,564 | 295,004,803 |
| End of period | \$ 261,605,928 | 237,159,564 |
| Distributions in excess of net investment income | \$ (1,389,038) | \$ (786,997) |

BlackRock Limited Duration Income Trust (BLW)

| | Six Months Ended | |
|---|-------------------------------------|--|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 19,118,828 | \$ 37,187,662 |
| Net realized loss | (6,835,819) | (37,468,788) |
| Net change in unrealized appreciation/depreciation | 56,077,840 | (21,814,023) |
| Net increase (decrease) in net assets resulting from operations | 68,360,849 | (22,095,149) |
| Dividends and Distributions to Shareholders From | | |
| Net investment income | (15,493,653) | (42,793,064) |
| Capital Share Transactions | | |
| Reinvestment of dividends | | |
| Net Assets | | |
| Total increase (decrease) in net assets | 52,867,196 | (64,888,213) |
| Beginning of period | 551,504,534 | 616,392,747 |
| End of period | \$ 604,371,730 | |

| | | | |
|--|--|-------------|----------------|
| | | | \$ |
| | | 551,504,534 | |
| Undistributed (distributions in excess of) net investment income | | \$ 671,459 | \$ (2,953,716) |

See Notes to Financial Statements.

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Statements of Changes in Net Assets

BlackRock Senior Floating Rate Fund, Inc.

| | Six Months Ended | |
|--|-------------------------------------|----------------------------------|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 7,500,258 | \$ 17,486,074 |
| Net realized loss | (13,667,157) | (34,004,504) |
| Net change in unrealized appreciation/depreciation | 30,014,754 | (11,952,665) |
| Net increase (decrease) in net assets resulting from operations | 23,847,855 | (28,471,095) |
| Dividends to Shareholders From | | |
| Net investment income | (7,718,970) | (17,470,993) |
| Capital Share Transactions | | |
| Net decrease in net assets resulting from capital share transactions | (22,650,549) | (41,795,738) |
| Net Assets | | |
| Total decrease in net assets | (6,521,664) | (87,737,826) |
| Beginning of period | 311,662,395 | 399,400,221 |
| End of period | \$ 305,140,731 | \$ 311,662,395 |
| Undistributed net investment income | \$ 1,030,342 | \$ 1,249,054 |

BlackRock Senior Floating Rate Fund II, Inc.

| | Six Months Ended | |
|--|-------------------------------------|----------------------------------|
| | February 28, 2010 (Unaudited) | Year Ended August 31, 2009 |
| Increase (Decrease) in Net Assets: | | |
| Operations | | |
| Net investment income | \$ 3,625,304 | \$ 7,880,750 |
| Net realized loss | (6,770,208) | (15,895,082) |
| Net change in unrealized appreciation/depreciation | 14,797,879 | (4,973,635) |
| Net increase (decrease) in net assets resulting from operations | 11,652,975 | (12,987,967) |
| Dividends to Shareholders From | | |
| Net investment income | (3,734,675) | (8,332,675) |
| Capital Share Transactions | | |
| Net decrease in net assets resulting from capital share transactions | (2,701,126) | (14,969,362) |
| Net Assets | | |
| Total increase (decrease) in net assets | 5,217,174 | (36,290,004) |
| Beginning of period | 150,347,045 | 186,637,049 |
| End of period | \$ 155,564,219 | 150,347,045 |
| Undistributed net investment income | \$ 4,358 | \$ 113,729 |

See Notes to Financial Statements.

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Statements of Cash Flows

| | BlackRock Defined Opportunity Credit Trust (BHL) | BlackRock Diversified Income Strategies Fund, Inc. (DVF) | BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) |
|--|---|---|---|
| February 28, 2010 (Unaudited) | | | |
| Cash Provided by Operating Activities | | | |
| Net increase in net assets resulting from operations | \$ 10,726,978 | \$ 24,611,917 | \$ 32,924,998 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided | | | |
| by operating activities: | | | |
| Decrease (increase) in interest receivable | (412,716) | 502,591 | (426,010) |
| Increase in cash pledged as collateral for swaps | | (600,000) | |
| Decrease in swap receivable | | 5,426 | 60,167 |
| Increase in commitment fees receivable | (468) | (344) | (1,692) |
| Decrease in income receivable affiliated | 241 | | |
| Decrease in other assets | 106,457 | 17,692 | 61,990 |
| Increase in other liabilities | | | 101,768 |
| Increase (decrease) in investment advisor payable | (3,474) | 12,506 | 9,939 |
| Increase in interest expense payable | 22,687 | 40,235 | 77,480 |
| Increase in other affiliates payable | 36 | 60 | 1,420 |
| Increase in accrued expenses payable | 93,300 | 4,123 | 2,231 |
| Decrease in swaps payable | | (30,223) | (73,465) |
| Increase (decrease) in officers and directors payable | 133 | (43) | 285 |
| Decrease in deferred income | (120,455) | (80,469) | (79,562) |
| Swap premium received | | 50,292 | 234,207 |
| Swap premium paid | | (153,204) | (419,097) |
| Net realized and unrealized gain | (7,423,456) | (19,896,316) | (24,731,776) |
| Amortization of premium and discount on investments | (1,002,726) | (763,597) | (1,615,205) |
| Paid-in-kind income | (12,149) | (370,359) | (1,010,894) |
| Decrease in cash held as collateral on swaps | | | (100,000) |
| Proceeds from sales and paydowns of long-term securities | 74,784,863 | 81,212,859 | 144,027,399 |
| Purchases of long-term securities | (69,380,782) | (87,965,404) | (150,216,625) |
| Net proceeds (purchases) from sales of short-term investments | (2,618,127) | 756,456 | 576,054 |
| Cash provided by operating activities | 4,760,342 | (2,645,802) | (596,388) |
| Cash Used for Financing Activities | | | |
| Cash receipts from borrowings | 56,000,000 | 78,000,000 | 126,000,000 |
| Cash payments from borrowings | (60,000,000) | (70,000,000) | (118,000,000) |
| Cash dividends paid to shareholders | (3,104,411) | (5,272,571) | (8,643,137) |
| Decrease in custodian bank payable | | | (43,905) |

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| | | | |
|---|-------------|------------|--------------|
| Cash used for financing activities | (7,104,411) | 2,727,429 | (687,042) |
| Cash Impact from Foreign Exchange Fluctuations | | | |
| Cash impact from foreign exchange fluctuations | (1,277) | (1,702) | (77,217) |
| Cash | | | |
| Net increase (decrease) in cash | (2,345,346) | 79,925 | (1,360,647) |
| Cash and foreign currency at beginning of period | 2,559,456 | 119,156 | 3,476,153 |
| Cash and foreign currency at end of period | \$ 214,110 | \$ 199,081 | \$ 2,115,506 |
| Cash Flow Information | | | |
| Cash paid for interest | \$ 130,318 | \$ 103,487 | \$ 224,224 |

A Statement of Cash Flows is presented when a Fund has a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to

average total assets.

See Notes to Financial Statements.

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BlackRock Defined Opportunity Credit Trust
(BHL)

Financial Highlights

| | Six Months Ended February 28, 2010 (Unaudited) | Year Ended August 31, 2009 | Period January 31, 2008 ¹ to August 31, 2008 |
|---|--|--|---|
| Per Share Operating Performance | | | |
| Net asset value, beginning of period | \$ 12.53 | \$ 14.31 | \$ 14.33 ² |
| Net investment income ³ | 0.40 | 0.87 | 0.47 |
| Net realized and unrealized gain (loss) | 0.79 | (1.55) | 0.21 |
| Net increase (decrease) from investment operations | 1.19 | (0.68) | 0.68 |
| Dividends and distributions from: | | | |
| Net investment income | (0.34) | (1.09) | (0.62) |
| Tax return of capital | | (0.01) | (0.06) |
| Total dividends and distributions | (0.34) | (1.10) | (0.68) |
| Capital charges with respect to issuance of shares | | | (0.02) |
| Net asset value, end of period | \$ 13.38 | \$ 12.53 | \$ 14.31 |
| Market price, end of period | \$ 12.62 | \$ 11.03 | \$ 12.66 |
| Total Investment Return⁴ | | | |
| Based on net asset value | 9.88% ⁵ | (2.16)% | 4.79% ⁵ |
| Based on market price | 17.73% ⁵ | (2.65)% | (11.44)% ⁵ |
| Ratios to Average Net Assets | | | |
| Total expenses | 1.95% ⁶ | 2.39% | 1.78% ⁶ |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.69% ⁶ | 1.94% | 1.48% ⁶ |
| Net investment income | 6.16% ⁶ | 8.11% | 5.52% ⁶ |
| Supplemental Data | | | |
| Net assets, end of period (000) | \$ 120,508 | \$ 112,862 | \$ 127,695 |
| Borrowings outstanding, end of period (000) | \$ 23,000 | \$ 27,000 | \$ 38,500 |
| Average borrowings outstanding, during the period (000) | \$ 25,633 | \$ 31,141 | \$ 13,788 |
| Portfolio turnover | 56% | 41% | 18% |
| Asset coverage, end of period per \$1,000 | \$ 6,239 | \$ 5,180 | \$ 4,317 |

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from initial offering price of \$15.00 per share.

³ Based on average shares outstanding.

⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Annualized.

See Notes to Financial Statements.

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BlackRock Diversified Income Strategies Fund, Inc.
(DVF)

Financial Highlights

| | Six Months | | | | | Period |
|--|-----------------------|------------|------------|------------|---------------------|----------------------|
| | Ended | | | | | January |
| | February 28, | | | | | 31, |
| | Year Ended August 31, | | | | | 2005 ¹ to |
| | 2010 | | | | | August |
| | (Unaudited) | 2009 | 2008 | 2007 | 2006 | 31, |
| | | | | | | 2005 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 8.74 | \$ 13.94 | \$ 17.50 | \$ 18.70 | \$ 18.38 | \$ 19.10 |
| Net investment income ² | 0.41 | 1.06 | 1.61 | 1.83 | 1.77 | 0.84 |
| Net realized and unrealized gain (loss) | 1.59 | (4.88) | (3.41) | (1.23) | 0.25 | (0.77) |
| Net increase (decrease) from investment operations | 2.00 | (3.82) | (1.80) | 0.60 | 2.02 | 0.07 |
| Dividends and distributions from: | | | | | | |
| Net investment income | (0.44) | (1.14) | (1.72) | (1.80) | (1.70) | (0.75) |
| Tax return of capital | | (0.24) | (0.04) | | | |
| Total dividends and distributions | (0.44) | (1.38) | (1.76) | (1.80) | (1.70) | (0.75) |
| Capital charges with respect to issuance of shares | | | | | (0.00) ³ | (0.04) |
| Net asset value, end of period | \$ 10.30 | \$ 8.74 | \$ 13.94 | \$ 17.50 | \$ 18.70 | \$ 18.38 |
| Market price, end of period | \$ 10.67 | \$ 8.80 | \$ 12.77 | \$ 17.16 | \$ 18.85 | \$ 17.53 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 23.33% ⁵ | (23.82)% | (10.17)% | 3.00% | 11.99% | 0.42% ⁵ |
| Based on market price | 26.89% ⁵ | (16.27)% | (16.08)% | 0.19% | 18.36% | (8.53)% ⁵ |
| Ratios to Average Net Assets | | | | | | |
| Total expenses | 1.50% ⁶ | 2.47% | 2.77% | 3.66% | 3.17% | 2.48% ⁶ |
| Total expenses after fees waived and paid indirectly | 1.50% ⁶ | 2.47% | 2.77% | 3.66% | 3.17% | 2.20% ⁶ |
| Total expenses after fees waived and paid indirectly and excluding | | | | | | |
| interest expense | 1.26% ⁶ | 1.57% | 1.23% | 1.30% | 1.29% | 1.00% ⁶ |
| Net investment income | 8.42% ⁶ | 13.63% | 10.40% | 9.63% | 9.57% | 7.88% ⁶ |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 126,896 | \$ 107,556 | \$ 169,707 | \$ 212,792 | \$ 224,156 | \$ 219,748 |
| Borrowings outstanding, end of period (000) | \$ 26,000 | \$ 18,000 | \$ 65,500 | \$ 72,000 | \$ 88,800 | \$ 101,400 |
| Average borrowings outstanding, during the period (000) | \$ 24,177 | \$ 28,247 | \$ 64,335 | \$ 95,465 | \$ 86,132 | \$ 75,543 |
| Portfolio turnover | 58% | 45% | 41% | 72% | 64% | 17% |
| Asset coverage, end of period per \$1,000 | \$ 5,881 | \$ 6,975 | \$ 3,591 | \$ 3,955 | \$ 3,524 | \$ 3,167 |

¹ Commencement of operations.² Based on average shares outstanding.³ Amount is less than \$(0.01) per share.

⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Annualized.

See Notes to Financial Statements.

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

Financial Highlights

| | Six Months Ended February 28, | | | Year Ended August 31, | | |
|---|-------------------------------------|------------|------------|--------------------------|------------|------------|
| | 2010 (Unaudited) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 12.93 | \$ 16.12 | \$ 18.25 | \$ 19.32 | \$ 19.35 | \$ 19.16 |
| Net investment income ¹ | 0.46 | 1.14 | 1.45 | 1.54 | 1.40 | 1.23 |
| Net realized and unrealized gain (loss) | 1.34 | (3.04) | (2.03) | (1.07) | (0.06) | 0.08 |
| Net increase (decrease) from investment operations | 1.80 | (1.90) | (0.58) | 0.47 | 1.34 | 1.31 |
| Dividends and distributions from: | | | | | | |
| Net investment income | (0.49) | (1.29) | (1.55) | (1.54) | (1.37) | (1.11) |
| Net realized gain | | | | | | (0.01) |
| Total dividends and distributions | (0.49) | (1.29) | (1.55) | (1.54) | (1.37) | (1.12) |
| Net asset value, end of period | \$ 14.24 | \$ 12.93 | \$ 16.12 | \$ 18.25 | \$ 19.32 | \$ 19.35 |
| Market price, end of period | \$ 15.64 | \$ 12.26 | \$ 14.49 | \$ 16.70 | \$ 17.49 | \$ 17.85 |
| Total Investment Return² | | | | | | |
| Based on net asset value | 14.12% ³ | (8.88)% | (2.56)% | 2.74% | 7.92% | 7.27% |
| Based on market price | 32.19% ³ | (3.88)% | (4.28)% | 3.85% | 5.91% | (2.47)% |
| Ratios to Average Net Assets | | | | | | |
| Total expenses | 1.45% ⁴ | 1.96% | 2.61% | 3.33% | 2.54% | 2.18% |
| Total expenses after fees waived and paid indirectly | 1.45% ⁴ | 1.96% | 2.60% | 3.33% | 2.54% | 2.18% |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.21% ⁴ | 1.31% | 1.18% | 1.20% | 1.14% | 1.22% |
| Net investment income | 6.67% ⁴ | 10.18% | 8.49% | 7.88% | 7.30% | 6.34% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 261,606 | \$ 237,160 | \$ 295,005 | \$ 334,065 | \$ 353,713 | \$ 354,114 |
| Borrowings outstanding, end of period (000) | \$ 46,000 | \$ 38,000 | \$ 101,500 | \$ 107,000 | \$ 135,200 | \$ 123,600 |
| Average borrowings outstanding, during the period (000) | \$ 50,740 | \$ 50,591 | \$ 102,272 | \$ 133,763 | \$ 101,916 | \$ 117,702 |
| Portfolio turnover | 51% | 58% | 49% | 69% | 57% | 48% |
| Asset coverage, end of period per \$1,000 | \$ 6,687 | \$ 7,241 | \$ 3,906 | \$ 4,122 | \$ 3,616 | \$ 3,865 |

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

³ Aggregate total investment return.

⁴ Annualized.

See Notes to Financial Statements.

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BlackRock Limited Duration Income Trust
(BLW)

Financial Highlights

| | Six Months Ended February 28, 2010 (Unaudited) | Year Ended August 31, 2009 | Period November 1, 2007 to August 31, 2008 | 2007 | Year Ended October 31, 2006 2005 2004 | | |
|--|--|--|--|------------|---|------------|------------|
| Per Share Operating Performance | | | | | | | |
| Net asset value, beginning of period | \$ 14.95 | \$ 16.71 | \$ 18.52 | \$ 19.01 | \$ 19.17 | \$ 20.13 | \$ 19.74 |
| Net investment income | 0.51 ¹ | 1.01 ¹ | 1.14 ¹ | 1.50 | 1.35 | 1.46 | 1.46 |
| Net realized and unrealized gain (loss) | 1.34 | (1.61) | (1.76) | (0.49) | 0.03 | (0.94) | 0.43 |
| Net increase (decrease) from investment operations | 1.85 | (0.60) | (0.62) | 1.01 | 1.38 | 0.52 | 1.89 |
| Dividends and distributions from: | | | | | | | |
| Net investment income | (0.42) | (1.16) | (1.19) | (1.41) | (1.52) | (1.33) | (1.49) |
| Net realized gain | | | | (0.06) | | (0.15) | (0.01) |
| Tax return of capital | | | | (0.03) | (0.02) | | |
| Total dividends and distributions | (0.42) | (1.16) | (1.19) | (1.50) | (1.54) | (1.48) | (1.50) |
| Net asset value, end of period | \$ 16.38 | \$ 14.95 | \$ 16.71 | \$ 18.52 | \$ 19.01 | \$ 19.17 | \$ 20.13 |
| Market price, end of period | \$ 15.64 | \$ 14.09 | \$ 14.57 | \$ 16.68 | \$ 18.85 | \$ 17.48 | \$ 19.95 |
| Total Investment Return² | | | | | | | |
| Based on net asset value | 12.73% ³ | (1.57)% | (2.60)% ³ | 5.66% | 7.85% | 2.93% | 10.17% |
| Based on market price | 14.21% ³ | 6.40% | (5.70)% ³ | (4.03)% | 17.31% | (5.30)% | 14.64% |
| Ratios to Average Net Assets | | | | | | | |
| Total expenses | 0.73% ⁴ | 0.72% | 1.39% ⁴ | 2.16% | 2.20% | 1.71% | 1.26% |
| Total expenses after fees waived and before fees | | | | | | | |
| paid indirectly | 0.73% ⁴ | 0.71% | 1.39% ⁴ | 2.16% | 2.20% | 1.71% | 1.26% |
| Total expenses after fees waived and paid indirectly | 0.73% ⁴ | 0.71% | 1.38% ⁴ | 2.14% | 2.19% | 1.71% | 1.25% |
| Total expenses after fees waived and paid indirectly and | | | | | | | |
| excluding interest expense | 0.70% ⁴ | 0.69% | 0.76% ⁴ | 0.83% | 0.91% | 0.92% | 0.90% |
| Net investment income | 6.61% ⁴ | 7.42% | 7.84% ⁴ | 7.92% | 7.10% | 7.42% | 7.34% |
| Supplemental Data | | | | | | | |
| Net assets, end of period (000) | \$ 604,372 | \$ 551,505 | \$ 616,393 | \$ 638,109 | \$ 699,206 | \$ 704,961 | \$ 739,225 |
| Borrowings outstanding, end of period (000) | \$ 12,744 | \$ | \$ 64,538 | \$ 109,287 | \$ 220,000 | \$ 176,010 | \$ 159,416 |
| Average borrowings outstanding, during the period (000) | \$ 4,871 | \$ 11,705 | \$ 120,295 | \$ 172,040 | \$ 179,366 | \$ 186,660 | \$ 195,845 |
| Portfolio turnover | 156% ⁵ | 287% ⁶ | 191% ⁷ | 65% | 132% | 70% | 215% |
| Asset coverage, end of period per \$1,000 | \$ 48,423 | \$ | \$ 10,551 | \$ 7,251 | \$ 4,178 | \$ 5,005 | \$ 5,637 |

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

³ Aggregate total investment return.

⁴ Annualized.

⁵ Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 12%.

⁶ Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 79%.

⁷ Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 24%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Senior Floating Rate
Fund, Inc.

| | Six Months Ended February 28, | | | Year Ended August 31, | | |
|--|-------------------------------------|------------|----------------------|--------------------------|------------|------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| | (Unaudited) | | | | | |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.16 | \$ 7.98 | \$ 8.60 | \$ 8.92 | \$ 9.01 | \$ 8.91 |
| Net investment income ¹ | 0.18 | 0.39 | 0.51 | 0.60 | 0.52 | 0.37 |
| Net realized and unrealized gain (loss) | 0.39 | (0.83) | (0.62) | (0.32) | (0.08) | 0.10 |
| Net increase (decrease) from investment operations | 0.57 | (0.44) | (0.11) | 0.28 | 0.44 | 0.47 |
| Dividends from net investment income | (0.19) | (0.38) | (0.51) | (0.60) | (0.53) | (0.37) |
| Net asset value, end of period | \$ 7.54 | \$ 7.16 | \$ 7.98 | \$ 8.60 | \$ 8.92 | \$ 9.01 |
| Total Investment Return² | | | | | | |
| Based on net asset value | 7.97% ³ | (4.69)% | (1.32)% ⁴ | 3.07% | 4.97% | 5.38% |
| Ratios to Average Net Assets⁵ | | | | | | |
| Total expenses | 1.53% ⁶ | 1.53% | 1.28% ⁴ | 1.44% | 1.43% | 1.41% |
| Net investment income | 4.93% ⁶ | 5.97% | 6.16% | 6.67% | 5.84% | 4.11% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 305,141 | \$ 311,662 | \$ 399,400 | \$ 505,515 | \$ 601,807 | \$ 676,703 |
| Portfolio turnover for the Master LLC | 56% | 47% | 56% | 46% | 54% | 53% |

¹ Based on average shares outstanding.

² Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions. The Fund is a continuously offered

closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

³ Aggregate total investment return.

⁴ During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per

share \$0.02 and increased total investment return 0.24%. The expense ratio excluding the refund was 1.46%.

⁵ Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

⁶ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Senior Floating Rate Fund II,
Inc.

| | Six Months | | | | | |
|--|--------------------|-------------------|----------------------|------------|------------|------------|
| | Ended | | | | | |
| | February 28, | | | | | |
| | 2010 | Year Ended August | | | | |
| | (Unaudited) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 7.76 | \$ 8.67 | \$ 9.35 | \$ 9.70 | \$ 9.79 | \$ 9.67 |
| Net investment income ¹ | 0.19 | 0.41 | 0.54 | 0.63 | 0.56 | 0.39 |
| Net realized and unrealized gain (loss) | 0.42 | (0.89) | (0.69) | (0.34) | (0.10) | 0.11 |
| Net increase (decrease) from investment operations | 0.61 | (0.48) | (0.15) | 0.29 | 0.46 | 0.50 |
| Dividends from net investment income | (0.20) | (0.43) | (0.53) | (0.64) | (0.55) | (0.38) |
| Net asset value, end of period | \$ 8.17 | \$ 7.76 | \$ 8.67 | \$ 9.35 | \$ 9.70 | \$ 9.79 |
| Total Investment Return² | | | | | | |
| Based on net asset value | 7.88% ³ | (4.70)% | (1.61)% ⁴ | 2.89% | 4.90% | 5.26% |
| Ratios to Average Net Assets⁵ | | | | | | |
| Total expenses | 1.67% ⁶ | 1.68% | 1.50% ⁴ | 1.59% | 1.57% | 1.54% |
| Net investment income | 4.79% ⁶ | 5.79% | 5.96% | 6.53% | 5.70% | 4.03% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 155,564 | \$ 150,347 | \$ 186,637 | \$ 247,861 | \$ 322,202 | \$ 355,108 |
| Portfolio turnover for the Master LLC | 56% | 47% | 56% | 46% | 54% | 53% |

¹ Based on average shares outstanding.

² Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions. The Fund is a continuously offered

closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

³ Aggregate total investment return.

⁴ During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per

share \$0.02 and increased total investment return 0.11%. The expense ratio excluding the refund was 1.64%.

⁵ Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

⁶ Annualized.

See Notes to Financial Statements.

Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies:

BlackRock Defined Opportunity Credit Trust (BHL), BlackRock Diversified Income Strategies Fund, Inc. (DVF), BlackRock Floating Rate Income Strategies Fund, Inc. (FRA), BlackRock Limited Duration Income Trust (BLW), BlackRock Senior Floating Rate Fund, Inc. (Senior Floating Rate) and BlackRock Senior Floating Rate Fund II, Inc. (Senior Floating Rate II) (collectively, referred to as the Funds or individually as the Fund) are registered under the Investment Company Act of 1940, as amended (the 1940 Act). BHL and BLW are organized as Delaware Statutory trusts. DVF, FRA, Senior Floating Rate and Senior Floating Rate II are organized as Maryland corporations. BHL, DVF, FRA and BLW are registered as diversified, closed-end management investment companies. Senior Floating Rate and Senior Floating Rate II are registered as continuously offered, nondiversified, closed-end management investment companies. The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Boards of Directors and the Boards of Trustees of the Funds are referred to throughout this report as the Board of Directors or the Board. The Funds determine and make available for publication the net asset value of their shares on a daily basis.

Senior Floating Rate and Senior Floating Rate II seek to achieve their investment objectives by investing all their assets in the Master Senior Floating Rate LLC (the Master LLC), which has the same investment objective and strategies as these Funds. The value of each Fund s investment in the Master LLC reflects each Fund s proportionate interest in the net assets of the Master LLC. The performance of each Fund is directly affected by the performance of the Master LLC. The financial statements of the Master LLC, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with Senior Floating Rate and Senior Floating Rate II s financial statements. The percentage of the Master LLC owned by Senior Floating Rate and Senior Floating Rate II at February 28, 2010 was 66% and 34%, respectively.

The following is a summary of significant accounting policies followed by the Funds:

Valuation: The Funds policy is to fair value their financial instruments at market value. The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services selected under the supervision of each Fund s Board. Floating rate loan interests are valued at the mean between the last available bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions

in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establishes a benchmark yield and develops an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges

are valued at their last sale price. To be announced (TBA) commitments are valued at the current market value of the underlying securities. Swap agreements are valued utilizing quotes received daily by the Funds pricing service or through brokers, which are derived using daily swap curves and trades of underlying securities. Investments in open-end investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Certain Funds value their investment in BlackRock Liquidity Series, LLC Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon their pro rata ownership in the net assets of the underlying fund. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments will follow the parameters of investments by a money market fund that is subject to Rule 2a-7 promulgated by the Securities and Exchange Commission (SEC) under the 1940 Act. The Funds may withdraw up to 25% of their investment daily, although the manager of the Money Market Series, in its sole discretion, may permit an investor to withdraw more than 25% on any one day.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price. If no bid price is available, the prior day s price will be used, unless it is determined that such prior day s price no longer reflects the fair value of the security.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid price. If no bid price is available, the prior day s price will be used, unless it is determined that such day s price no longer reflects the fair value of the option. Over-the-counter (OTC) options and swaptions are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange (NYSE). Foreign currency exchange contracts are valued at the mid between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued by a method approved by each Fund s Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price

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Notes to Financial Statements (continued)

that each Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of a Fund's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board.

Senior Floating Rate and Senior Floating Rate II record their investments in the Master LLC at fair value. Valuation of securities held by the Master LLC is discussed in Note 1 of the Master LLC's Notes to Financial Statements, which are included elsewhere in this report.

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

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of February 28, 2010, Senior Floating Rate and Senior Floating rate II's investment in the Master LLC was classified as level 2. More relevant disclosure regarding fair value measurements relates to the Master LLC, which

is disclosed in the Master LLC's Schedule of Investments included elsewhere in this report.

Foreign Currency Transactions: Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Funds report foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Asset-Backed and Mortgaged-Backed Securities: Certain Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If a Fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

Certain Funds may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by the Government National Mortgage Association (GNMA) are guaranteed as to the timely payment of principal and interest by GNMA and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by the Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA), including FNMA guaranteed Mortgage Pass-Through Certificates which are solely the obligations of the FNMA, are not backed by or entitled to the full faith and credit of the United States and are supported by the right of the issuer to borrow from the Treasury.

Certain Funds invest a significant portion of their assets in securities

backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

Forward Commitments and When-Issued Delayed Delivery Securities:
Certain Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than

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Notes to Financial Statements (continued)

the security is worth. In addition, the purchaser is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds' maximum amount of loss is the unrealized gain of the commitment, which is shown on the Schedules of Investments, if any.

Preferred Stock: Certain Funds may invest in preferred stocks. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Floating Rate Loans: Certain Funds may invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions, and privately and publicly offered corporations. Floating rate loans are senior in the debt structure of a corporation. Floating rate loans generally pay interest at rates that are periodically determined 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 European banks, such as LIBOR (London Inter Bank Offered Rate), (ii) the prime rate offered by one or more US banks or (iii) the certificate of deposit rate. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

The Funds earn and/or pay facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent and prepayment penalty fees. Facility, commitment and amendment fees are typically amortized over the term of the loan. Consent fees and various other fees are recorded as income. Prepayment penalty fees are recorded as realized gains. When a Fund buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, the Funds may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, the Funds may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by the Funds may include covenant waiver fees and covenant modification fees.

The Funds may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loans are usually freely callable at the issuer's option. The Funds may invest in such loans in the form of participations in loans (Participations) and assignments of all or a portion of loans from third

parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower.

In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loans, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds' investments in loan participation interests involve the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Funds may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower.

Mortgage Dollar Roll Transactions: Certain Funds may sell mortgage-backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed-upon price. During the period between the sale and repurchase, the Funds will not be entitled to receive interest and principal payments on the securities sold. The Funds account for dollar roll transactions as purchases and sales and realize gains and losses on these transactions. Mortgage dollar rolls involve the risk that the market value of the securities that the Funds are required to purchase may decline below the agreed upon repurchase price of those securities.

Reverse Repurchase Agreements: Certain Funds may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agree to repurchase the securities at a mutually agreed upon date and price. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Funds may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse

repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Funds' obligation to repurchase the securities.

TBA Commitments: Certain Funds may enter into TBA commitments to purchase or sell securities for a fixed price at a future date. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases prior to settlement date, which is in addition to the risk of decline in the value of the Funds' other assets.

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Notes to Financial Statements (continued)

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the SEC require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., dollar rolls, TBAs beyond normal settlement, financial futures contracts, foreign currency exchange contracts and swaps), or certain borrowings (e.g., reverse repurchase agreements and loan payable) each Fund will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Funds have determined the ex-dividend date. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities. Consent fees are compensation for agreeing to changes in the terms of debt instruments and are included in interest income in the Statements of Operations.

Senior Floating Rate and Senior Floating Rate II record daily their proportionate share of the Master LLC's income, expenses and realized and unrealized gains and losses. In addition, both Funds accrue their own expenses.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceed net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required. Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' US federal tax returns remains open for the two periods ended August 31, 2009 for BHL, the four years ended August 31, 2009

for DVF, FRA, Senior Floating Rate and Senior Floating Rate II, and the two years ended October 31, 2007 and the two periods ended August 31, 2009 for BLW. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Standards: In June 2009, amended guidance was issued by the Financial Accounting Standards Board (FASB) for transfers

of financial assets. This guidance is intended to improve the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. The amended guidance is effective for financial statements for fiscal years and interim periods beginning after November 15, 2009. Earlier application is prohibited. The recognition and measurement provisions of this guidance must be applied to transfers occurring on or after the effective date. Additionally, the enhanced disclosure provisions of the amended guidance should be applied to transfers that occurred both before and after the effective date of this guidance. The impact of this guidance on the Funds' financial statements and disclosures, if any, is currently being assessed.

In January 2010, the FASB issued amended guidance to improve disclosure about fair value measurements which will require additional disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). It also clarifies existing disclosure requirements relating to the levels of disaggregation for fair value measurement and inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years and interim periods beginning after December 15, 2009 except for disclosures about purchases, sales, issuances and settlements in the rollforward of activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The impact of this guidance on the Funds' financial statements and disclosures is currently being assessed.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, non-interested Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations there under represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Funds investments under the plan are included in income affiliated in the Statements of Operations.

Other: Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Funds have an arrangement with the custodians whereby fees may be

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Notes to Financial Statements (continued)

reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Funds may engage in various portfolio investment strategies both to increase the returns of the Funds and to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk and foreign currency exchange rate risk. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying instrument or if the counterparty does not perform under the contract. The Funds may mitigate counterparty risk through master netting agreements included within an International Swap and Derivatives Association, Inc. (ISDA) Master Agreement between a Fund and each of its counterparties. The ISDA Master Agreement allows each Fund to offset with its counterparty certain derivative financial instrument s payables and/or receivables with collateral held with each counterparty. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Funds from their counterparties are not fully collateralized contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices.

The Fund s maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain in excess of any collateral pledged by the counterparty to the Funds. For OTC options purchased, the Funds bear the risk of loss in the amount of the premiums paid and change in market value of the options should the counterparty not perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as options written obligate the Funds to perform and not the counterparty. Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event a Fund s net assets decline by a stated percentage or a Fund fails to meet the terms of its ISDA Master Agreements, which would cause a Fund to accelerate payment of any net liability owed to the counterparty. Counterparty risk related to exchange-traded financial futures contracts and options is minimal because of the protection against defaults provided by the exchange on which they trade.

Financial Futures Contracts: The Funds may purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are contracts for delayed delivery of securities or currencies at a specific future date and at a specific price or

yield. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recognized by the Funds as unrealized gains or losses. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures transactions involves the risk of an imperfect correlation in the movements in the price of finan-

cial futures contracts, interest or foreign currency exchange rates and the underlying assets.

Foreign Currency Exchange Contracts: The Funds may enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio positions (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Funds, help to manage the overall exposure to the currency backing some of the investments held by the Funds. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that counterparties may not meet the terms of the agreement or unfavorable movements in the value of a foreign currency relative to the US dollar.

Options: The Funds may purchase and write call and put options to increase or decrease their exposure to underlying instruments (equity risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying instrument at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise price at any time or at a specified time during the option period. When a Fund purchases (writes) an option, an amount equal to the premium paid (received) by a Fund is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or a Fund enters into a closing transaction), a Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium received or paid). When a Fund writes a call option, such option is covered, meaning that a Fund holds the underlying instrument subject to being called by the option counterparty, or cash in an amount sufficient to cover the obligation. When a Fund

writes a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement at any time before the expiration of the option.

In purchasing and writing options, a Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that a Fund may not be able to enter into a closing transaction due to an illiquid market. Exercise of an option written could result in a Fund purchasing or

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selling a security at a price different from the current market value. The Funds may execute transactions in both listed and OTC options.

Swaps: Each Fund may enter into swap agreements, in which a Fund and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Fund will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Credit default swaps Each Fund may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which it is not otherwise exposed (credit risk). The Funds enter into credit default agreements to provide a measure of protection against the default of an issuer (as buyer protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). The Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign) or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a

guarantee from the seller to make a specific payment should a negative credit event take place (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, a Fund will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising of an index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index.

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As a seller (writer), if an underlying credit event occurs, a Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising of an index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index.

Interest rate swaps Each Fund may enter into interest rate swaps to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Derivative Instruments Categorized by Risk

Exposure:

Values of Derivative Instruments as of February 28, 2010

| Asset Derivatives | | | | | |
|-------------------------------------|--|-------------------|-------------------|-------------------|--------------------|
| | Statements of Assets and Liabilities Location | BHL | DVF | FRA | BLW |
| Interest rate contracts | Net unrealized appreciation/depreciation* | | | | \$ 28,377 |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency exchange contracts | \$ 756,237 | \$ 410,722 | \$ 974,774 | 2,331,453 |
| Credit contracts | Unrealized appreciation on swaps | | | 1,712 | 4,118 |
| Equity contracts | Investments at value unaffiliated** | | 2,470 | 3,800 | 8,740 |
| Total | | \$ 756,237 | \$ 413,192 | \$ 980,286 | \$2,372,688 |
| Liability Derivatives | | | | | |
| | Statements of Assets and Liabilities Location | BHL | DVF | FRA | BLW |
| Interest rate contracts | Net unrealized appreciation/depreciation* | | | \$1,842,608 | |
| Foreign currency exchange contracts | Unrealized depreciation on foreign | | | | |

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| | | | | |
|------------------|-----------|----------------------------|-----------|--------------|
| | | currency exchange | | |
| | contracts | | \$ 36,487 | \$ 28,214 |
| | | Unrealized depreciation on | | |
| Credit contracts | swaps | | 182,991 | 5,149 |
| Total | | | \$ 36,487 | \$ 2,025,599 |
| | | | | \$ 33,363 |

Includes cumulative unrealized appreciation/depreciation of financial futures contracts as reported in the Schedules of Investments. Only

* current day s margin variation is reported within the Statements of Assets and Liabilities.

** Includes options purchased at value as reported in the Schedules of Investments.

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The Effect of Derivative

Instruments on the Statements of Operations

Six Months Ended February 28, 2010

Net Realized Gain (Loss) from

| | BHL | DVF | FRA | BLW |
|--------------------------------------|--------------|--------------|---------------|--------------|
| Interest rate contracts: | | | | |
| Financial futures contracts | | | | \$ 146,933 |
| Foreign currency exchange contracts: | | | | |
| Foreign currency transactions | \$ (369,932) | \$ (128,085) | \$ (759,427) | (767,789) |
| Credit contracts: | | | | |
| Swaps | | (643,991) | (1,205,766) | (246,028) |
| Total | \$ (369,932) | \$ (772,076) | \$(1,965,193) | \$ (866,884) |

Net Change in Unrealized
Appreciation/Depreciation on

| | BHL | DVF | FRA | BLW |
|--------------------------------------|------------|--------------|-------------|--------------|
| Interest rate contracts: | | | | |
| Financial futures contracts | | | | \$ 6,299 |
| Swaps | | \$ (91,419) | | |
| Foreign currency exchange contracts: | | | | |
| Foreign currency transactions | \$ 940,037 | 503,439 | \$1,354,167 | 2,808,305 |
| Credit contracts: | | | | |
| Swaps | | 2,208,826 | 1,110,590 | 82,828 |
| Equity contracts: | | | | |
| Options*** | | (10,530) | (16,200) | (37,260) |
| Total | \$ 940,037 | \$ 2,610,316 | \$2,448,557 | \$ 2,860,172 |

*** Includes options purchased which are shown in the net change in unrealized appreciation/depreciation on investments.

For the six months ended February 28, 2010, the average quarterly balance of outstanding derivative financial instruments was as follows:

| | BHL | DVF | FRA | BLW |
|--|-----|-----|-----|-----------|
| Financial futures contracts: | | | | |
| Average number of contracts purchased | | | | 46 |
| Average number of contracts sold | | | | |
| Average notional value of contracts purchased | | | | \$ 37,872 |
| Average notional value of contracts sold | | | | |
| Foreign currency exchange contracts: | | | | |
| Average number of contracts US dollars purchased | 6 | 8 | 7 | 6 |
| Average number of contracts US dollars sold | 1 | 1 | | 1 |

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| | | | | |
|---|--------------|--------------|--------------|--------------|
| Average US dollar amounts purchased | \$14,477,955 | \$ 9,113,336 | \$19,496,844 | \$40,158,206 |
| Average US dollar amounts sold | \$ 635,924 | \$ 135,242 | | \$ 576,646 |
| Options purchased: | | | | |
| Average number of contracts | | 13 | 20 | 46 |
| Average premium | | \$ 12,711 | \$ 19,556 | \$ 44,978 |
| Credit default swaps: | | | | |
| Average number of contracts buy protection | | 3 | 2 | 3 |
| Average number of contracts sell protection | | 2 | 1 | |
| Average notional value buy protection | | \$ 787,500 | \$ 1,425,000 | \$ 2,250,000 |
| Average notional value sell protection | | \$ 7,211,269 | \$ 2,000,000 | |
| Interest rate swaps: | | | | |
| Average number of contracts pays fixed rate | | 1 | | |
| Average number of contracts receives fixed rate | | | | |
| Average notional value pays fixed rate | | \$20,000,000 | | |
| Average notional value receives fixed rate | | | | |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") are the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but BAC and Barclays are not.

BHL, DVF, FRA and BLW have entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Funds investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services.

The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee of each Fund's average daily value of its respective net assets plus the proceeds of any outstanding borrowings at the following annual rates:

| | |
|-----|-------|
| BHL | 1.00% |
| DVF | 0.75% |
| FRA | 0.75% |

BLW

0.55%

The Manager has voluntarily agreed to waive its advisory fees by the amount of investment advisory fees each Fund pays to the Manager

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Notes to Financial Statements (continued)

indirectly through its investment in affiliated money market funds; however, the Manager does not waive its advisory fees by the amount of investment advisory fees through its investment in other affiliated investment companies. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended February 28, 2010, the amounts waived were as follows:

| | Fees Waived by Manager |
|-----|-----------------------------------|
| BHL | \$ 1,051 |
| DVF | \$ 976 |
| FRA | \$ 1,347 |
| BLW | \$18,003 |

The Manager, on behalf of BHL, DVF, FRA and BLW has entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Manager, under which the Manager pays BFM for services it provides, a monthly fee that is a percentage of the investment advisory fee paid by each Fund to the Manager.

For the six months ended February 28, 2010, certain Funds reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations.

| | Accounting Services |
|-----|--------------------------------|
| BHL | \$1,453 |
| DVF | \$1,289 |
| FRA | \$2,415 |
| BLW | \$5,260 |

Senior Floating Rate and Senior Floating Rate II have entered into an Administration Agreement with the Manager. The administration fee paid to the Manager is calculated daily and paid monthly based on an annual rate of 0.25% and 0.40%, respectively, of the average daily value of these Funds' net assets for the performance of administrative services (other than investment advice and related portfolio activities) necessary for the operation of these Funds.

Senior Floating Rate and Senior Floating Rate II entered into a separate Distribution Agreement and Distribution Plan with BlackRock Investments, LLC (BRIL), which is an affiliate of BlackRock.

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For the six months ended February 28, 2010, BRIL received early withdrawal charges for Senior Floating Rate and Senior Floating Rate II in the amount of \$154,083 and \$22,869, respectively, relating to the tender of each Fund's shares.

PNC Global Investment Servicing (U.S.) Inc., an indirect, wholly owned subsidiary of PNC and an affiliate of the Manager, is the transfer agent and dividend disbursing agent for Senior Floating Rate and Senior Floating Rate II. Transfer agency fees borne by the Funds are comprised of those fees charged for all shareholder communications including mailing of shareholder reports, dividend and distribution notices, and proxy materials for shareholder meetings, as well as per account and per transaction fees related to servicing and maintenance of shareholder accounts, including the issuing, redeeming and transferring of shares, check writing, anti-money laundering services, and customer identification services.

Senior Floating Rate and Senior Floating Rate II may earn income on positive cash balances in demand deposit accounts that are maintained by the transfer agent on behalf of the Funds. These amounts are included in income affiliated in the Statements of Operations.

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation paid to the Funds' Chief Compliance Officer.

4. Investments:

Purchases and sales of investments (including paydowns and mortgage dollar roll transactions and excluding short-term securities and US government securities) for the six months ended February 28, 2010, were as follows:

| | Purchases | Sales |
|-----|------------------|-----------------|
| BHL | \$ 79,601,150 | \$ 80,273,519 |
| DVF | \$ 100,130,378 | \$ 86,983,707 |
| FRA | \$ 167,412,050 | \$ 155,107,562 |
| BLW | \$1,149,665,741 | \$1,049,052,368 |

For the six months ended February 28, 2010, sales of US government securities for BLW were \$3,482,797.

For the six months ended February 28, 2010, purchases and sales for BLW attributable to mortgage dollar rolls were \$966,354,141 and \$968,993,352, respectively.

5. Commitments:

Certain Funds may invest in floating rate loans. In connection with these

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investments, the Funds may also enter into unfunded corporate loans (commitments). Commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged.

In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of February 28, 2010, the Funds had the following unfunded loan commitments:

Borrower

| | Unfunded Commitment | Value of Underlying Loans |
|-----------------|--------------------------------|--|
| | (000) | (000) |
| BHL | | |
| CloverHill | \$ 232 | \$ 236 |
| Delphi | \$ 123 | \$ 107 |
| New Vision | \$ 99 | \$ 102 |
| DVF | | |
| CII Investment | \$ 196 | \$ 179 |
| Delphi | \$ 123 | \$ 127 |
| FRA | | |
| CloverHill | \$ 411 | \$ 419 |
| Delphi A-1 | \$ 8 | \$ 7 |
| Delphi A-2 | \$ 19 | \$ 17 |
| Delphi B-1 | \$ 84 | \$ 72 |
| Delphi B-2 | \$ 196 | \$ 169 |
| Vought Aircraft | \$1,148 | \$1,094 |
| BLW | | |
| Delphi | \$ 614 | \$ 532 |
| New Vision | \$ 50 | \$ 52 |

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Notes to Financial Statements (continued)

6. Capital Loss Carryforwards:

As of August 31, 2009, the Funds had capital carry loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| Expires August 31, | BHL | DVF | FRA | BLW |
|---------------------------|---------------------|----------------------|----------------------|----------------------|
| 2013 | | | \$ 691,829 | |
| 2014 | | \$ 1,755,694 | | |
| 2015 | | 2,237,399 | | |
| 2016 | | 1,444,704 | 475,453 | \$ 21,933,927 |
| 2017 | \$ 1,063,204 | 20,249,830 | 20,954,032 | 9,996,868 |
| Total | \$ 1,063,204 | \$ 25,687,627 | \$ 22,121,314 | \$ 31,930,795 |
| | | | Senior | Senior |
| | | | Floating Rate | Floating Rate |
| Expires August 31, | | | Fund | Fund II |
| 2010 | | | \$ 87,904,309 | \$ 864,375 |
| 2011 | | | 53,409,203 | 17,719,049 |
| 2012 | | | 34,221,818 | 6,383,383 |
| 2013 | | | 56,166,095 | |
| 2014 | | | 945,546 | |
| 2015 | | | 2,561,691 | |
| 2016 | | | 31,419,599 | 4,923,144 |
| 2017 | | | 16,221,457 | 7,728,284 |
| Total | | | \$282,849,718 | \$ 37,618,235 |

7. Market and Credit Risk:

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to credit risk, the Funds may be exposed to counterparty risk, or

the risk that an entity with which the Funds have unsettled or open transactions may default. Financial assets, which potentially expose the Funds to credit and counterparty risks, consist principally of investments and cash due from counterparties. The extent of the Funds' exposure to credit and counterparty risks with respect to these financial assets is generally

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approximated by their value recorded in the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

8. Capital Share Transactions:

BHL and BLW are authorized to issue an unlimited number of shares, par value \$0.001, all of which were initially classified as Common Shares. DVF and FRA are authorized to issue 200 million shares, par value \$0.10, all of which were initially classified as Common Shares. The Board is authorized, however, to classify and reclassify any unissued shares without approval of Common Shareholders.

During the six months ended February 28, 2010 and the year ended August 31, 2009, the shares issued and outstanding increased by the following amounts as a result of dividend reinvestments:

| | Six Months Ended February 28, 2010 | Year Ended August 31, 2009 |
|-----|---|---------------------------------------|
| BHL | | 84,923 |
| DVF | 15,929 | 129,277 |
| FRA | 34,797 | 31,791 |

Shares issued and outstanding remained constant during the six months ended February 28, 2010 and the year ended August 31, 2009 for BLW.

At February 28, 2010, the shares owned by affiliates of the Manager of the Funds were as follows:

| | Shares |
|-----|---------------|
| BHL | 8,517 |
| FRA | 8,726 |
| BLW | 6,021 |

Transactions in capital shares, with respect to Senior Floating Rate and Senior Floating Rate II, were as follows:

| | Six Months Ended February 28, 2010 | | Year Ended August 31, 2009 | |
|--|---|-----------------|---------------------------------------|-----------------|
| | Shares | Amount | Shares | Amount |
| Senior Floating Rate | | | | |
| Shares sold | 975,726 | \$ 7,282,805 | 3,495,709 | \$ 22,066,554 |
| Shares issued to shareholders in reinvestment of dividends | 73,448 | 547,445 | 189,466 | 1,198,984 |
| Total issued | 1,049,174 | 7,830,250 | 3,685,175 | 23,265,538 |
| Shares tendered | (4,116,162) | (30,480,799) | (10,231,989) | (65,061,276) |
| Net decrease | (3,066,988) | \$ (22,650,549) | (6,546,814) | \$ (41,795,738) |
| Senior Floating Rate II | | | | |

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| | | | | |
|--|-------------|----------------|-------------|-----------------|
| Shares sold | 940,702 | \$ 7,602,535 | 3,475,221 | \$ 23,697,009 |
| Shares issued to shareholders in reinvestment of dividends | 52,402 | 422,993 | 83,856 | 580,777 |
| Total issued | 993,104 | 8,025,528 | 3,559,077 | 24,277,786 |
| Shares tendered | (1,335,186) | (10,726,654) | (5,697,156) | (39,247,148) |
| Net decrease | (342,082) | \$ (2,701,126) | (2,138,079) | \$ (14,969,362) |

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Notes to Financial Statements (concluded)

9. Borrowings

On December 22, 2009, BLW borrowed under the Term Asset-Backed Securities Loan Facility (TALF). The TALF program was launched by the U.S. Department of Treasury and the Federal Reserve Board as a credit facility designed to restore liquidity to the market for asset-backed securities. The Federal Reserve Bank of New York (FRBNY) will provide up to \$1 trillion in non-recourse loans to support the issuance of certain AAA-rated asset-backed securities and commercial mortgage-backed securities (Eligible Securities). The Fund posted as collateral already-held Eligible Securities, which were all commercial mortgage-backed securities, in return for non-recourse, 5-year term loans (TALF loans) in an amount equal to approximately 85% of the value of such Eligible Securities. The TALF loans are shown as loan payable on the Statements of Assets and Liabilities. The following is a summary of the outstanding TALF loans and related information as of February 28, 2010:

| | Aggregate | | | | Value of |
|-----|------------------|-----------------|-----------------|-----------------|-------------------|
| | Number | Amount | Maturity | Interest | Eligible |
| | of Loans | of Loans | Date(s) | Rates | Securities |
| BLW | 1 | \$12,744,165 | 12/22/14 | 3.62% | \$15,576,712 |

The non-recourse provision of the TALF loans allows the Fund to satisfy loan obligations with Eligible Securities, subject to certain conditions, even if the value of the Eligible Securities falls below the outstanding amount of the loan. The Fund can repay TALF loans prior to the maturity dates with no penalty. Principal and interest due on the loans will typically be paid with principal paydowns and interest received from the Eligible Securities. Credit agreements underlying each loan contain provisions to address instances in which interest payments on Eligible Securities fall short of amounts due to the FRBNY. The Fund paid to the FRBNY a one time administration fee of 0.20% of the amount borrowed, which was expensed as incurred in the current period by the Fund and is included in borrowing costs in the Statements of Operations. The Fund also pays a financing fee equal to the 5-year LIBOR swap rate plus 1.00% on the outstanding loan amount payable monthly, which is included in interest expense in the Statements of Operations.

Since the Fund has the ability to potentially satisfy TALF loan obligations by surrendering Eligible Securities, potential losses by the Fund associated with the TALF loans are limited to the difference between the amount of Eligible Securities posted at the time of loan initiation and the loan proceeds received by the Fund.

The Fund has elected to account for the outstanding TALF loans at fair value. The Fund elected to fair value its TALF loans to more closely align

changes in the value of the TALF loans with changes in the value of the Eligible Securities and to reduce the potential volatility in the Statements of Operations which could result if only the Eligible Securities were fair valued. In fair valuing TALF loans, the Fund considers various factors such as observable market transactions, if available, changes in the value of Eligible Securities, interest rate movements, and the potential likelihood and timing of loan repayments. Any change in unrealized gain or loss associated with fair valuing TALF loans will be reflected in the Statements of Operations. As of February 28, 2010, the fair value of the Fund's TALF loan obligation was determined to be equal to its face value and as a result there were no unrealized gains or losses recorded by the Fund.

On March 5, 2009, BHL, DVF, and FRA entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement

(the SSB Agreement) with State Street Bank and Trust Company (SSB). The Funds have granted a security interest in substantially all of their assets to SSB. The agreement allowed for the following maximum commitment amounts:

| | Commitment Amount |
|-----|--------------------------|
| BHL | \$ 55,000,000 |
| DVF | \$ 50,000,000 |
| FRA | \$103,000,000 |

Advances are made by SSB to the Funds, at the Funds option (a) the higher of (i) 1.0% above the Fed Effective Rate and (ii) 1.0% above the Overnight LIBOR or (b) 1.0% above 7-day, 30-day, 60-day or 90-day LIBOR. In addition, the Funds pay a facility fee and a commitment fee based upon SSB's total commitment to the Funds. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Funds as of February 28, 2010 are shown in the Statements of Assets and Liabilities as loan payable. The SSB Agreement was renewed for 364 days under substantially the same terms effective March 4, 2010. The SSB Agreement allows for the following maximum commitment amounts:

| | Commitment Amount |
|-----|--------------------------|
| BHL | \$ 55,000,000 |
| DVF | \$ 55,000,000 |
| FRA | \$103,000,000 |

The Funds may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short term borrowings is less than 300%.

For the six months ended February 28, 2010, the daily weighted average interest rates for funds with loans under the revolving credit agreements were as follows:

| | Daily Weighted Average Interest Rate |
|-----|---|
| BHL | 1.20% |
| DVF | 1.20% |
| FRA | 1.20% |

For the six months ended February 28, 2010, the daily weighted average interest rates for funds with reverse repurchase agreements were as follows:

| | Daily Weighted Average Interest Rate |
|-----|---|
| BLW | 0.18% |

10. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Fund paid a net investment income dividend on March 31, 2010 to Common Shareholders of record on March 15, 2010 as follows:

| | |
|-----|----------|
| BHL | \$0.0540 |
| DVF | \$0.0685 |
| FRA | \$0.0815 |
| BLW | \$0.0750 |

Master Portfolio Summary as of February 28, 2010 Master Senior Floating Rate LLC

Portfolio Composition

| Asset Mix | Percent of | |
|------------------------------|-----------------------|---------|
| | Long-Term Investments | |
| | 2/28/2010 | 8/31/09 |
| Floating Rate Loan Interests | 82% | 91% |
| Corporate Bonds | 18 | 9 |

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Schedule of Investments February 28, 2010 (Unaudited)

Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

| Common Stocks (a) | Shares | Value |
|--|--------------|-----------|
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. (b) | 39,151 | \$ 15,030 |
| Wellman Holdings, Inc. | 5,206 | 1,302 |
| | | 16,332 |
| Paper & Forest Products 0.3% | | |
| Ainsworth Lumber Co. Ltd. | 335,138 | 703,911 |
| Ainsworth Lumber Co. Ltd. (b) | 376,109 | 789,964 |
| | | 1,493,875 |
| Software 0.0% | | |
| SIRVA | 1,817 | 18,170 |
| Total Common Stocks 0.3% | | 1,528,377 |
| | Par | |
| Corporate Bonds | (000) | |
| Building Products 0.3% | | |
| Building Materials Corp. of America, 7.00%, 2/15/20 (b) | USD 1,425 | 1,425,000 |
| Chemicals 1.8% | | |
| GEO Specialty Chemicals, Inc.: | | |
| 7.50%, 3/31/15 (b)(c) | 2,555 | 1,660,565 |
| 10.00%, 3/31/15 | 2,515 | 1,634,464 |
| Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b) | 1,110 | 1,037,850 |
| Nalco Co., 8.25%, 5/15/17 (b) | 1,015 | 1,083,513 |
| Wellman Holdings, Inc. (c): | | |
| 5.00%, 1/29/19 | 2,322 | 1,161,342 |
| 10.00%, 1/29/19 | 2,000 | 2,000,000 |
| | | 8,577,734 |
| Commercial Services & Supplies 0.6% | | |
| Clean Harbors, Inc., 7.63%, 8/15/16 (b) | 1,600 | 1,616,000 |
| The Geo Group, Inc., 7.75%, 10/15/17 (b) | 1,050 | 1,063,125 |
| | | 2,679,125 |
| Communications Equipment 0.1% | | |
| Brocade Communications Systems, Inc. (b): | | |
| 6.63%, 1/15/18 | 275 | 277,750 |
| 6.88%, 1/15/20 | 190 | 193,800 |
| | | 471,550 |
| Consumer Finance 0.5% | | |

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| | | | |
|---|-----|-------|-----------|
| Inmarsat Finance Plc, 7.38%, 12/01/17 (b) | | 2,300 | 2,357,500 |
| Containers & Packaging 0.9% | | | |
| Berry Plastics Escrow LLC, 8.25%, 11/15/15 (b) | | 1,700 | 1,695,750 |
| Crown Americas LLC, 7.63%, 5/15/17 (b) | | 1,190 | 1,237,600 |
| Owens-Brockway Glass Container, Inc., 7.38%, 5/15/16 | | 1,210 | 1,249,325 |
| | | | 4,182,675 |
| Diversified Financial Services 0.9% | | | |
| FCE Bank Plc: | | | |
| 7.88%, 2/15/11 | GBP | 100 | 153,624 |
| 7.13%, 1/16/12 | EUR | 1,300 | 1,754,575 |
| 7.13%, 1/15/13 | | 200 | 266,885 |
| GMAC, Inc., 8.30%, 2/12/15 (b) | USD | 2,100 | 2,118,375 |
| | | | 4,293,459 |

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Corporate Bonds | | | |
| Diversified Telecommunication Services 1.4% | | | |
| Cincinnati Bell, Inc., 8.25%, 10/15/17 | USD | 1,800 | \$ 1,800,000 |
| PAETEC Holding Corp.: | | | |
| 8.88%, 6/30/17 | | 373 | 375,797 |
| 8.88%, 6/30/17 (b) | | 2 | 2,015 |
| Qwest Communications International, Inc., 8.00%, 10/01/15 (b) | | 1,200 | 1,242,000 |
| Qwest Corp., 8.38%, 5/01/16 | | 990 | 1,084,050 |
| Windstream Corp., 7.88%, 11/01/17 (b) | | 2,250 | 2,199,375 |
| | | | 6,703,237 |
| Energy Equipment & Services 0.4% | | | |
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b) | | 1,750 | 1,741,250 |
| Food Products 0.6% | | | |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | | 2,390 | 2,587,175 |
| Health Care Providers & Services 0.4% | | | |
| DaVita, Inc., 6.63%, 3/15/13 | | 1,660 | 1,664,150 |
| Hotels Restaurants & Leisure 0.9% | | | |
| Icahn Enterprises LP (b): | | | |
| 7.75%, 1/15/16 | | 1,125 | 1,057,500 |
| 8.00%, 1/15/18 | | 2,250 | 2,115,000 |
| MGM Mirage, 11.13%, 11/15/17 (b) | | 1,030 | 1,112,400 |
| | | | 4,284,900 |
| Household Durables 0.6% | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 (b) | | 2,300 | 2,564,500 |

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| | | | | |
|--|--|-----|-------|------------|
| Household Products 0.1% | | | | |
| Libbey Glass, Inc., 10.00%, 2/15/15 (b) | | | 245 | 253,575 |
| IT Services 0.3% | | | | |
| SunGard Data Systems, Inc., 4.88%, 1/15/14 | | | 1,429 | 1,334,329 |
| Independent Power Producers & Energy Traders 2.1% | | | | |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | | | 3,770 | 3,817,125 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | | | 1,400 | 1,428,000 |
| NRG Energy, Inc., 7.25%, 2/01/14 | | | 4,300 | 4,332,250 |
| | | | | 9,577,375 |
| Media 1.4% | | | | |
| Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b) | | | 3,675 | 3,770,550 |
| UPC Germany GmbH, 8.13%, 12/01/17 (b) | | | 2,750 | 2,750,000 |
| | | | | 6,520,550 |
| Paper & Forest Products 2.1% | | | | |
| NewPage Corp.: | | | | |
| 6.50%, 5/01/12 (e) | | | 650 | 344,500 |
| 11.38%, 12/31/14 | | | 8,450 | 8,069,750 |
| Verso Paper Holdings LLC, Series B, 4.00%, 8/01/14 (e) | | | 1,670 | 1,348,525 |
| | | | | 9,762,775 |
| Real Estate Investment Trusts (REITs) 0.2% | | | | |
| Omega Healthcare Investors, Inc., 7.50%, 2/15/20 (b) | | | 1,100 | 1,111,000 |
| Textiles, Apparel & Luxury Goods 0.6% | | | | |
| Levi Strauss & Co., 8.63%, 4/01/13 | | EUR | 2,000 | 2,736,928 |
| Wireless Telecommunication Services 0.9% | | | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | | USD | 4,250 | 4,319,063 |
| Total Corporate Bonds 17.1% | | | | 79,147,850 |

Portfolio Abbreviations

| | | | | |
|--|------------|-----------------|------------|----------------|
| To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list: | CAD | Canadian Dollar | GBP | Pound Sterling |
| | EUR | Euro | USD | US Dollar |

See Notes to Financial Statements.

Schedule of Investments (continued)

Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Floating Rate Loan Interests | | | |
| Aerospace & Defense 0.9% | | | |
| Hawker Beechcraft Acquisition Co. LLC: | | | |
| Letter of Credit Facility Deposit, 2.25%, 3/26/14 | USD | 121 | \$ 88,762 |
| Term Loan, 2.23% 2.25%, 3/26/14 | | 1,985 | 1,460,696 |
| TASC, Inc.: | | | |
| Tranche A Term Loan, 5.50%, 12/18/14 | | 850 | 853,542 |
| Tranche B Term Loan, 5.75%, 12/18/15 | | 1,650 | 1,661,000 |
| | | | 4,064,000 |
| Airlines 0.3% | | | |
| Delta Air Lines, Inc., Credit-Linked Deposit Loan, 0.08% 2.25%, 4/30/12 | | | |
| | | 1,470 | 1,373,226 |
| Auto Components 2.5% | | | |
| Affinion Group Holdings, Inc., Tranche B Term Loan, 2.73%, 10/17/12 | | | |
| | | 851 | 825,852 |
| Allison Transmission, Inc., Term Loan, 2.98% 3.00%, 8/07/14 | | | |
| | | 6,315 | 5,783,011 |
| Dana Holding Corp., Term Advance, 4.48% 6.50%, 1/30/15 | | | |
| | | 1,869 | 1,820,440 |
| Exide Technologies, Term Loan, 3.91%, 5/15/12 | | | |
| | EUR | 575 | 704,293 |
| Lear Corp., Loan (Closing Date Loan & Delayed Draw Loan), 7.50%, 11/09/14 | | | |
| | USD | 2,375 | 2,379,928 |
| | | | 11,513,524 |
| Automobiles 0.9% | | | |
| Ford Motor Co., Tranche B-1 Term Loan, 3.24% 3.26%, 12/15/13 | | | |
| | | 4,538 | 4,198,048 |
| Building Products 2.5% | | | |
| Building Materials Corp. of America: | | | |
| Second Lien Term Loan, 6.00%, 9/15/14 | | 2,500 | 2,460,000 |
| Term Loan Advance, 3.00%, 2/22/14 | | 1,993 | 1,940,592 |
| Goodman Global, Inc., Term Loan, 6.25%, 2/13/14 | | | |
| | | 5,206 | 5,226,288 |
| Momentive Performance Materials (Blitz 06-103 GmbH): | | | |
| Tranche B-1 Term Loan, 2.50%, 12/04/13 | | 967 | 882,614 |
| Tranche B-2 Term Loan, 2.67%, 12/04/13 | EUR | 964 | 1,178,561 |
| | | | 11,688,055 |
| Capital Markets 0.5% | | | |

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| | | | |
|--|-----|-------|-------------------------|
| Marsico Parent Co., LLC, Term Loan, 5.25% 7.25%, 12/15/14 | USD | 766 | 486,623 |
| Nuveen Investments, Inc., Term Loan, 3.25% 3.32%, 11/13/14 | | 2,068 | 1,798,902 2,285,525 |
| Chemicals 5.7% | | | |
| Ashland Inc., Term B Borrowing, 7.65%, 5/13/14 | | 1,260 | 1,274,491 |
| Brenntag Holding GmbH & Co. KG: | | | |
| Acquisition Facility 1, 2.00% 2.14%, 1/20/14 | | 125 | 121,864 |
| Facility B2, 1.98% 2.00%, 1/20/14 | | 1,831 | 1,780,234 |
| Chemtura Corp. Debtor in Possession Return of Capital Term Loan, 6.00%, 1/26/11 | | 2,800 | 2,812,250 |
| Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.25%, 5/31/14 | | 731 | 582,258 |
| Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14 | | 1,300 | 1,306,500 |
| Huish Detergents, Inc.: | | | |
| Loan (Second Lien), 4.51%, 10/26/14 | | 750 | 709,688 |
| Tranche B Term Loan, 2.01%, 4/26/14 | | 618 | 593,461 |
| Matrix Acquisition Corp. (fka MacDermid, Inc.), Tranche C Term Loan, 2.63%, 12/15/13 | EUR | 1,045 | 1,159,294 |
| Nalco Co., Term Loan, 6.50%, 5/13/16 | USD | 3,607 | 3,632,123 |
| PQ Corp. (fka Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.48% 3.50%, 7/30/14 | | 4,942 | 4,522,290 |
| Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14 | | 2,681 | 2,688,764 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | | 3,054 | 3,093,371 |
| Tronox Worldwide LLC, Tranche B-1 Term Loan, 9.00%, 6/24/10 | | 2,300 | 2,360,260 26,636,848 |

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Floating Rate Loan Interests | | | |
| Commercial Services & Supplies 2.9% | | | |
| Advanced Disposal Services, Inc., Term B Loan, 6.00%, 1/14/15 | USD | 1,300 | \$ 1,300,000 |
| Alliance Laundry Systems LLC, Term Loan, 2.74%, 1/27/12 | | 511 | 491,128 |
| ARAMARK Corp.: | | | |
| Letter of Credit Facility, 2.11%, 1/26/14 | | 136 | 129,598 |
| US Term Loan, 2.13%, 1/26/14 | | 2,066 | 1,970,629 |

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| | | |
|--|-------|------------|
| Casella Waste Systems, Inc, Term B Loan, 7.00%, 4/09/14 | 1,244 | 1,251,523 |
| John Maneely Co., Term Loan, 3.50%, 12/09/13 | 954 | 893,962 |
| Johnson Diversey, Inc. Term Loan B, 5.50%, 11/24/15 | 1,600 | 1,612,000 |
| SIRVA Worldwide, Inc., Loan (Second Lien), 12.00%, 5/12/15 | 450 | 45,045 |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.23%, 4/02/14 | 2,702 | 2,382,380 |
| West Corp., Incremental Term B-3 Loan, 7.25%, 10/24/13 | 3,434 | 3,468,123 |
| | | 13,544,388 |
| Construction & Engineering 0.7% | | |
| Safway First Out Term Loan, 9.00%, 12/14/17 | 1,500 | 1,500,000 |
| Welding Services Term Loan B, 9.35%, 12/16/13 | 1,495 | 1,502,394 |
| | | 3,002,394 |
| Consumer Finance 1.5% | | |
| DaimlerChrysler Financial Services Americas LLC, Term Loan (First Lien), 4.24% 6.25%, 8/03/12 | 6,870 | 6,781,953 |
| Containers & Packaging 1.7% | | |
| Anchor Glass Term Loan B, 6.00%, 2/18/16 | 2,300 | 2,277,000 |
| Berry Plastics Holding Corp., Term C Loan, 2.25%, 4/03/15 | 2,856 | 2,555,320 |
| Graham Packaging Co., LP: | | |
| B Term Loan, 2.50%, 10/07/11 | 1,435 | 1,415,434 |
| C Term Loan, 6.75%, 4/05/14 | 750 | 753,602 |
| Smurfit-Stone Container, Revolving Credit: | | |
| 0.01% 4.50%, 11/01/09 | 313 | 311,791 |
| 0.20% 5.00%, 11/12/09 | 104 | 103,487 |
| Smurfit-Stone Container Canada, Inc.: | | |
| Tranche C, 2.50%, 11/01/11 | 135 | 133,408 |
| Tranche C-1 Term Loan, 2.50%, 11/01/11 | 41 | 40,335 |
| Smurfit-Stone Container Enterprises, Inc.: | | |
| Deposit Funded Facility, 4.50%, 11/01/10 | 63 | 62,208 |
| Tranche B, 2.50%, 11/01/11 | 72 | 70,794 |
| | | 7,723,379 |
| Diversified Consumer Services 2.0% | | |
| Coinmach Service Corp., Term Loan, 3.26%, 11/14/14 | 3,930 | 3,399,298 |
| Laureate Education Term Loan B, 7.00%, 8/15/14 | 5,985 | 5,930,686 |
| | | 9,329,984 |
| Diversified Financial Services 1.7% | | |
| CIT Group, Inc., Tranche 2A Term Loan, 9.50% 9.75%, | | |

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| | | |
|--|-------|------------------------|
| 1/20/12 | 3,303 | 3,382,998 |
| Reynolds Group Holdings Inc., US Term Loan, 6.25%, 11/05/15 | 4,600 | 4,628,750 8,011,748 |
| Diversified Telecommunication Services 2.0% | | |
| Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12 | 746 | 638,766 |
| Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 | 1,629 | 1,225,546 |
| Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13 | 2,030 | 2,028,655 |
| Level 3 Communications, Incremental Term Loan, 7.59%, 3/13/14 | 1,975 | 1,779,558 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|-------------------------|
| Floating Rate Loan Interests | | | |
| Diversified Telecommunication Services (concluded) | | | |
| US Telepacific Corp., Term Loan (Second Lien), 7.75%, 7/25/15 | USD | 875 | \$ 876,641 |
| Wind Finance SL SA, Euro Facility (Second Lien), 7.67%, 12/17/14 | EUR | 2,000 | 2,712,380 9,261,546 |
| Electrical Equipment 0.6% | | | |
| Baldor Electric Co., Term Loan, 5.25%, 1/31/14 | USD | 2,690 | 2,694,080 |
| Electronic Equipment, Instruments & Components 1.2% | | | |
| Flextronics International Ltd.: | | | |
| A Closing Date Loan, 2.48% 2.50%, 10/01/14 | | 311 | 294,081 |
| Term Loan B, 2.50%, 10/01/12 | | 1,614 | 1,557,510 |
| L-1 Identity Solutions Operating Co., Term Loan, 6.75%, 8/05/13 | | 2,327 | 2,326,421 |
| Safenet, Inc., Loan (Second Lien), 6.23%, 4/12/15 | | 1,250 | 1,154,166 5,332,178 |
| Energy Equipment & Services 0.5% | | | |
| Dresser, Inc., Term Loan (Second Lien), 6.00%, 5/04/15 | | 500 | 467,500 |
| MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16 | | 1,930 | 1,894,869 2,362,369 |
| Food & Staples Retailing 3.6% | | | |
| AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.54%, 7/09/15 | GBP | 2,800 | 3,824,727 |
| Bolthouse Farms, Inc. Term Loan B, 5.50%, 2/04/16 | USD | 1,900 | 1,900,000 |
| DS Waters of America, Inc., Term Loan: | | | |
| 4.25%, 3/02/12 | | 400 | 352,000 |
| 2.50%, 10/29/12 | | 1,375 | 1,285,723 |
| Pierre Foods Term Loan B, 8.50%, 9/30/14 | | 1,254 | 1,250,865 |
| Pilot Travel Centers Term Loan B, 3.50%, 11/18/15 | | 3,500 | 3,516,226 |
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/10/15 | | 3,175 | 3,289,300 |
| SUPERVALU Inc., Term B Advance, 1.48%, 6/02/12 | | 1,256 | 1,218,115 16,636,956 |
| Food Products 3.2% | | | |

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| | | |
|---|---------|------------|
| Dole Food Co., Inc.: | | |
| Credit-Linked Deposit, 7.89%, 4/12/13 | 442 | 442,020 |
| Term Loan B, 5.50% , 2/10/17 | 1,618 | 1,618,456 |
| Term Loan C, 5.50% , 2/10/17 | 3,882 | 3,884,294 |
| Tranche B Term Loan, 8.00%, 4/12/13 | 607 | 606,922 |
| Pilgrim s Pride Corp. Term Loan A, 5.29%, 12/01/12 | 1,800 | 1,773,000 |
| Pinnacle Foods Finance LLC, Tranche C Term Loan, 7.50%, 4/02/14 | 4,400 | 4,418,071 |
| Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13 | 1,969 | 1,969,175 |
| | | 14,711,938 |
| Health Care Equipment & Supplies 1.3% | | |
| Biomet, Inc., Dollar Term Loan, 3.23% 3.25%, 3/25/15 | 3,645 | 3,525,866 |
| DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.23%, 5/20/14 | 2,654 | 2,564,509 |
| Hologic, Inc., Tranche B Term Loan, 3.50%, 3/29/13 | USD 121 | 120,193 |
| | | 6,210,568 |
| Health Care Providers & Services 4.7% | | |
| CHS/Community Health Systems, Inc.: | | |
| Delayed Draw Term Loan, 2.50%, 7/25/14 | 316 | 295,341 |
| Funded Term Loan, 2.48% 2.50%, 7/25/14 | 6,184 | 5,778,329 |
| DaVita, Inc., Tranche B-1 Term Loan, 1.73% 1.76%, 10/05/12 | 600 | 585,975 |
| Fresenius SE: | | |
| Tranche B1 Term Loan, 6.75%, 9/10/14 | 2,080 | 2,090,614 |
| Tranche B2 Term Loan, 6.75%, 9/10/14 | 1,313 | 1,319,869 |

| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests | | |
| Health Care Providers & Services (concluded) | | |
| HCA Inc., Tranche A-1 Term Loan, 1.75%, 11/16/12 | USD 7,895 | \$ 7,456,219 |
| HealthSouth Corp., Term Loan, 2.51%, 3/10/13 | 659 | 637,225 |
| Vanguard Health Systems, Inc., Term Loan B, 5.00%, 1/29/16 | 3,400 | 3,404,250 |
| | | 21,567,822 |
| Health Care Technology 1.0% | | |
| IMS Healthcare, Term Loan B, 5.25%, 2/16/16 | 4,400 | 4,417,600 |
| Hotels Restaurants & Leisure 4.2% | | |
| CCM Merger Inc. (Motor City Casino), Term B Loan, 8.50%, 7/13/12 | 1,688 | 1,662,946 |

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| | | |
|---|-------|------------|
| Cedar Fair LP, Term Loan B, 4.00%, 2/04/16 | 1,750 | 1,747,267 |
| Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.50%, 8/16/14 | 1,750 | 175,000 |
| Harrah s Operating Co., Inc.: | | |
| Term B-2 Loan, 3.25%, 1/28/15 | 1,856 | 1,498,045 |
| Term B-4 Loan, 9.50%, 10/31/16 | 3,000 | 2,991,666 |
| Lake at Las Vegas Joint Venture / LLV-1, LLC (a)(f): | | |
| Mezzanine, 20.00%, 10/01/10 | 8 | 74 |
| Revolving Loan Credit-Linked Deposit Account, 14.35%, 6/20/12 | 361 | 3,611 |
| Term Loan, 14.35% 20.00%, 6/20/12 | 3,934 | 39,343 |
| Penn National Gaming, Inc., Term Loan B, 1.98% 2.00%, 10/03/12 | 1,653 | 1,619,142 |
| QCE, LLC (Quiznos), Term Loan (Second Lien), 2.56%, 5/05/13 | 728 | 621,316 |
| SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16 | 2,875 | 2,887,578 |
| Six Flags Theme Parks, Inc., Term Loan, 4.50%, 6/13/15 | 4,750 | 4,706,062 |
| VML US Finance LLC (aka Venetian Macau), Term B Funded Project Loan, 4.76%, 5/27/13 | 1,355 | 1,289,649 |
| | | 19,241,699 |
| Household Durables 0.2% | | |
| American Achievement Corp., Tranche B Term Loan, 6.25% -6.50%, 3/25/11 | 576 | 541,318 |
| Jarden Corp., Term Loan B3, 2.75%, 1/24/12 | 595 | 590,485 |
| | | 1,131,803 |
| IT Services 3.0% | | |
| Audio Visual Services Group, Inc.: | | |
| Loan (Second Lien), 5.76%, 8/28/14 | 1,616 | 161,556 |
| Tranche B Term Loan (First Lien), 2.51%, 2/28/14 | 1,343 | 940,191 |
| Ceridian Corp., US Term Loan, 3.23% 3.25%, 11/09/14 | 2,213 | 1,935,010 |
| First Data Corp., Initial Tranche B-2 Term Loan, 3.00%, 9/24/14 | 8,204 | 7,154,413 |
| RedPrairie Corp., Term Loan B: | | |
| 3.25%, 7/20/12 | 242 | 234,574 |
| 3.31%, 7/20/12 | 402 | 389,926 |
| SunGard Data Systems, Inc., (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14 | 2,982 | 2,992,825 |
| | | 13,808,495 |
| Independent Power Producers & Energy Traders 1.4% | | |
| Dynegy Holdings Inc.: | | |

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| | | |
|---|-------|-----------|
| Term Letter of Credit Facility Term Loan, 3.98%, 4/02/13 | 1,897 | 1,850,999 |
| Tranche B Term Loan, 3.98%, 4/02/13 | 153 | 149,005 |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-2 Term Loan, 3.73% 3.75%, 10/10/14 | 4,412 | 3,547,996 |
| Initial Tranche B-3 Term Loan, 3.73% 3.75%, 10/10/14 | 1,126 | 901,043 |
| | | 6,449,043 |
| Industrial Conglomerates 1.0% | | |
| Sequa Corp., Term Loan, 3.51% 3.94%, 12/03/14 | 4,808 | 4,397,632 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests | | |
| Insurance 0.4% | | |
| Alliant Holdings I, Inc., Term Loan, 3.25%, 8/21/14 | USD 1,704 | \$ 1,608,572 |
| Internet Software & Services 0.0% | | |
| Channel Master Holdings, Inc. (a)(f)(g): | | |
| Revolver, 8.31%, 11/15/04 | 128 | |
| Term Loan, 9.00%, 11/15/04 | 1,014 | |
| Leisure Equipment & Products 0.4% | | |
| Fender Musical Instruments Corp.: | | |
| Delayed Draw Loan, 2.51%, 6/09/14 | 658 | 557,454 |
| Initial Loan, 2.51%, 6/09/14 | 1,302 | 1,103,589 |
| True Temper Sports Debtor in Possession Term Loan, 13.00%, 10/14/13 | 344 | 326,791 |
| | | 1,987,834 |
| Machinery 1.8% | | |
| Accuride, Term Loan, 9.75%, 1/31/12 | 2,290 | 2,285,230 |
| Bucyrus International, Term Loan C, 4.50%, 1/26/16 | 2,500 | 2,513,250 |
| Oshkosh Truck Corp., Term B Loan, 6.25% 6.26%, 12/06/13 | 3,591 | 3,587,756 |
| | | 8,386,236 |
| Media 16.6% | | |
| Alpha Topco Ltd. (Formula One), Facility D, 3.82%, 6/30/14 | 1,000 | 873,889 |
| Catalina Marketing Corp., Initial Term Loan, 2.98%, 10/01/14 | 433 | 417,414 |
| Gengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 7,500 | 7,424,895 |
| Cequel Communications, LLC, Tranche A Term Loan (Second Lien), 4.75%, 5/05/14 | 5,000 | 4,870,500 |
| Charter Communications Operating, LLC, New Term Loan, 2.23%, 3/06/14 | 8,675 | 8,091,797 |
| FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15 | 1,332 | 1,278,424 |
| HMH Publishing Co. Ltd., Mezzanine, 17.50%, 11/14/14 | 1,186 | 146,269 |
| Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.50% 2.56%, 3/10/14 | 2,210 | 987,325 |

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| | | |
|--|-------|-----------|
| Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.73% 2.75%, 6/30/14 | 2,272 | 1,987,045 |
| Insight Midwest Holdings, LLC, B Term Loan, 2.25%, 4/07/14 | 2,075 | 1,992,324 |
| Intelsat Corp. (fka PanAmSat Corp.): | | |
| Tranche B-2-A Term Loan, 2.73%, 1/03/14 | 575 | 546,439 |
| Tranche B-2-B Term Loan, 2.73%, 1/03/14 | 574 | 546,116 |
| Tranche B-2-C Term Loan, 2.73%, 1/03/14 | 574 | 546,116 |
| Intelsat Subsidiary Holding Co. Ltd., Tranche B Term Loan, 2.73%, 1/03/14 | 207 | 197,079 |
| Lamar Media Corp.: | | |
| Series B Incremental Loan, 5.50% 5.75%, 9/28/12 | 1,417 | 1,406,278 |
| Series E Incremental Loan, 5.50% 5.75%, 3/31/13 | 940 | 939,772 |
| Term Loan, 5.50% 5.75%, 9/28/12 | 3,598 | 3,571,470 |
| Local TV Finance, LLC, Term Loan, 2.26%, 5/07/13 | 689 | 595,675 |
| MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16 | 2,382 | 2,400,919 |
| MCNA Cable Holdings LLC (OneLink Communications), Loan, 7.23%, 3/01/13 (h) | 1,289 | 1,005,369 |
| Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | 1,496 | 1,494,365 |
| Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 20.50%, 4/09/12 | 1,421 | 853,895 |
| Multicultural Radio Broadcasting, Inc., Term Loan, 2.98%, 12/18/12 | 494 | 392,112 |

| | Par | Value |
|---|---------|------------|
| | (000) | |
| Floating Rate Loan Interests | | |
| Media (concluded) | | |
| New Vision Exit Term Loan, 13.00%, 10/01/12 | USD 130 | \$ 130,212 |
| Newsday, LLC, Floating Rate Term Loan, 6.50%, 8/01/13 | 2,500 | 2,506,250 |
| Nielsen Finance LLC: | | |
| Class A Dollar Term Loan, 2.23%, 8/09/13 | 446 | 419,995 |
| Class B Dollar Term Loan, 3.98%, 5/01/16 | 4,123 | 3,992,251 |
| Penton Media, Inc.: | | |
| Loan (Second Lien), 9.25%, 2/01/14 (a)(f) | 500 | 66,666 |
| Term Loan (First Lien), 2.48% 2.50%, 2/01/13 | 486 | 354,962 |

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| | | | |
|--|-----|-------|------------|
| Sinclair Television Group, Inc., Tranche B Term Loan, 6.50%, 10/29/15 | | 2,250 | 2,261,250 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 3,400 | 4,575,616 |
| Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.50%, 3/20/12 | USD | 4,243 | 3,730,465 |
| TWCC Holding Corp., Term Loan, 7.25%, 9/14/15 | | 3,667 | 3,676,287 |
| UPC Financing Partnership, Facility U, 4.99%, 12/31/17 | EUR | 2,100 | 2,664,080 |
| Virgin Media Investment Holdings Ltd.: | | | |
| B1 Facility, 4.17%, 7/30/12 | GBP | 653 | 985,603 |
| B1 Facility, 4.43%, 7/30/12 | | 906 | 1,366,091 |
| B7 Facility, 4.40%, 9/03/12 | | 4246 | 630,106 |
| C Facility, 4.40% , 9/03/12 | | 1,028 | 1,527,924 |
| C Facility, 3.58%, 7/17/13 | | 600 | 854,656 |
| Worldcolor Press, Inc. and Worldcolor (USA) Corp. (fka Quebecor World, Inc.), Advance, 9.00%, 7/23/12 | | 2,386 | 2,410,141 |
| Yell Group Plc TPI, Term Loan A, 2.48%, 8/09/11 | | 1,750 | 1,675,625 |
| | | | 76,393,667 |
| Multi-Utilities 0.6% | | | |
| Energy Transfer Equity, LP, Term Loan, 1.98%, 11/01/12 | USD | 750 | 739,682 |
| FirstLight Power Resources, Inc. (fka NE Energy, Inc.): | | | |
| Synthetic Letter of Credit, 2.81%, 11/01/13 | | 139 | 129,566 |
| Term B Advance (First Lien), 2.75%, 11/01/13 | | 1,528 | 1,425,749 |
| Mach Gen, LLC, Synthetic Letter of Credit Loan (First Lien), 2.25%, 2/22/13 | | 69 | 63,604 |
| USPF Holdings, LLC, Term Loan, 1.98%, 4/11/14 | | 607 | 599,898 |
| | | | 2,958,499 |
| Multiline Retail 0.6% | | | |
| Dollar General Corp.: | | | |
| Tranche B-1 Term Loan, 2.98% 3.00%, 7/07/14 | | 1,963 | 1,904,868 |
| Tranche B-2 Term Loan, 2.98%, 7/07/14 | | 427 | 410,628 |
| The Neiman Marcus Group Inc., Term Loan, 2.26%, 4/06/13 | | 745 | 668,679 |
| | | | 2,984,175 |
| Oil, Gas & Consumable Fuels 0.8% | | | |
| Big West Oil, LLC,: | | | |
| Delayed Draw Loan, 4.50%, 1/26/15 | | 1,517 | 1,487,145 |
| Initial Advance Loan, 4.50% , 5/15/14 | | 1,207 | 1,182,758 |
| Initial Advance Loan, 9.75% , 5/15/14 | | 1,075 | 1,080,375 |
| | | | 3,750,278 |

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Paper & Forest Products 0.8%

Georgia-Pacific LLC, Term Loan B:

| | | | |
|-------|-----------------|-------|-----------|
| 2.24% | 2.25%, 12/20/12 | 1,342 | 1,310,469 |
| 2.25% | 2.26%, 12/23/12 | 2,615 | 2,553,743 |
| | | | 3,864,212 |

Personal Products 0.5%

American Safety Razor Co., LLC:

| | | | |
|--|---|-------|---------|
| | Loan (Second Lien), 6.51%, 1/30/14 | 1,600 | 936,000 |
| | Term Loan (First Lien), 2.75% -2.76%, 7/31/13 | 824 | 747,515 |

Revlon Consumer Products Corp., Term Loan, 4.26%,

| | | | |
|--|---------|-----|-----------|
| | 1/15/12 | 500 | 492,032 |
| | | | 2,175,547 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests | | |
| Pharmaceuticals 1.2% | | |
| Warner Chilcott Co., LLC, Term A Loan, 5.50%, 10/30/14 | USD 1,729 | \$ 1,728,382 |
| Warner Chilcott Corp., Term B-1 Loan, 5.75%, 4/30/15 | 3,836 | 3,834,495 |
| | | 5,562,877 |
| Professional Services 0.5% | | |
| Booz Allen Hamilton, Inc., Tranche B Term Loan, 7.50%, 7/31/15 | 2,362 | 2,377,152 |
| Real Estate Management & Development 1.0% | | |
| Mattamy Funding Partnership, Loan, 2.56%, 4/11/13 | 888 | 812,063 |
| Realogy Corp.: | | |
| Delayed Draw Term Loan B, 3.25% , 10/10/13 | 1,197 | 1,055,482 |
| Initial Term B Loan, 3.25% , 10/10/13 | 2,554 | 2,252,214 |
| Synthetic Letter of Credit, 3.25%, 10/10/13 | 688 | 606,365 |
| | | 4,726,124 |
| Specialty Retail 1.0% | | |
| Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.98%, 10/21/13 | 611 | 588,904 |
| General Nutrition Centers, Inc., Term Loan, 2.48% 2.51%, 9/16/13 | 546 | 518,684 |
| Michaels Stores, Inc.: | | |
| Term Loan B, 2.50% 2.56%, 10/31/13 | 1,521 | 1,370,137 |
| Term Loan B-1, 4.75% 4.81%, 7/31/16 | 2,004 | 1,909,100 |
| | | 4,386,825 |
| Textiles, Apparel & Luxury Goods 0.3% | | |
| Hanesbrands, Inc., New Term Loan, 5.25%, 12/10/15 | 1,500 | 1,511,250 |
| Trading Companies & Distributors 0.2% | | |
| Beacon Sales Acquisition, Inc., Term B Loan, 2.23% 2.25%, 9/30/13 | 928 | 871,947 |
| Wireless Telecommunication Services 1.5% | | |
| Digicel International Finance Ltd., Tranche A, 2.81%, 3/30/12 | 5,154 | 4,960,957 |
| MetroPCS Wireless, Inc., Tranche B Term Loan, 2.50%, 11/03/13 | 2,214 | 2,133,430 |
| | | 7,094,387 |

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| | | | |
|---|--------------|-------------------|-------------|
| Total Floating Rate Loan Interests | 79.9% | | 369,016,383 |
| | | Beneficial | |
| | | Interest | |
| | | (000) | |
| Other Interests (i) | | | |
| Diversified Financial Services | 0.4% | | |
| J.G. Wentworth LLC Preferred Equity Interests | | 1 | 1,944,443 |
| Total Other Interests | 0.4% | | 1,944,443 |
| Warrants (j) | | Shares | |
| Media | 0.0% | | |
| Cumulus Media (expires 12/31/19) | | 1,543 | 2,377 |
| New Vision Holdings LLC (expires 9/30/14) | | 48,636 | 486 |
| Total Warrants | 0.0% | | 2,863 |
| Total Long-Term Investments | | | |
| (Cost \$485,119,192) | 97.7% | | 451,639,916 |

| Short-Term Securities | Shares | Value |
|--|---------------|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.11% (k)(l) | 36,095,866 | \$ 36,095,866 |
| Total Short-Term Securities | | |
| (Cost \$36,095,866) | | 36,095,866 |
| Total Investments (Cost \$521,215,058*) | | 487,735,782 |
| Liabilities in Excess of Other Assets | | (25,438,452) |
| Net Assets | | \$462,297,330 |

* The cost and unrealized appreciation (depreciation) of investments as of February 28,

2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 521,284,614 |
| Gross unrealized appreciation | \$ 9,925,386 |
| Gross unrealized depreciation | (43,474,218) |
| Net unrealized depreciation | \$ (33,548,832) |

(a) Non-income producing security.

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

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

(c) Convertible security.

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

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

(f) Issuer filed for bankruptcy and/or is in default of interest payments.

(g) As a result of bankruptcy proceedings, the company did not repay the principal amount of the security upon maturity.

(h) Represents a payment-in-kind security which may pay interest/dividends in addi-

tional par/shares.

- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (k) 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 | Income |
|---|-----------------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | USD 2,487,443 | \$ 14,974 |

- (l) Represents the current yield as of report date.

Foreign currency exchange contracts as of February 28, 2010 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Date | Settlement | Unrealized Appreciation (Depreciation) |
|-----------------------|------------------|---|---------|------------|--|
| USD 19,197,704 | EUR 13,292,500 | CitiBank NA | 3/24/10 | | \$ 1,098,752 |
| GBP 1,438,500 | USD 2,257,313 | CitiBank NA | 4/21/10 | | (64,758) |
| USD 592,696 | CAD 620,000 | Goldman Sachs Bank USA | 4/21/10 | | 3,510 |
| USD 803,493 | GBP 503,000 | CitiBank NA | 4/21/10 | | 36,823 |
| USD 8,489,253 | GBP 5,243,500 | Morgan Stanley Capital Services, Inc. | 4/21/10 | | 497,135 |
| Total | | | | | \$ 1,571,462 |

For Master LLC compliance purposes, the Master LLC's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Master LLC management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

See Notes to Financial Statements.

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Schedule of Investments (concluded) Master Senior Floating Rate LLC

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

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Master LLC's own assumptions used in determining the face value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Master LLC's policy regarding valuation of investments and other significant accounting policies, please refer to the Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of February 28, 2010 in determining the fair valuation of the Master LLC's investments:

Investments in Securities

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|----------------------|---------------------|----------------------|
| Assets: | | | | |
| Long-Term | | | | |
| Investments: | | | | |
| Common Stocks | \$ 703,911 | \$ 789,964 | \$ 34,502 | \$ 1,528,377 |
| Corporate Bonds | | 72,691,479 | 6,456,371 | 79,147,850 |
| Floating Rate | | | | |
| Loan Interests | | 314,769,878 | 54,246,505 | 369,016,383 |
| Other Interests | | | 1,944,443 | 1,944,443 |
| Warrants | | 2,377 | 486 | 2,863 |
| Short-Term | | | | |
| Securities | 36,095,866 | | | 36,095,866 |
| Total | \$36,799,777 | \$388,253,698 | \$62,682,307 | \$487,735,782 |
| Other Financial Instruments¹ | | | | |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------------------|---------------------|---------------------|
| Assets | | \$ 1,636,220 | \$ 2,039 | \$ 1,638,259 |
| Liabilities | | (64,758) | (103,303) | (168,061) |
| Total | | \$ 1,571,462 | \$ (101,264) | \$ 1,470,198 |

¹ Other financial instruments are unfunded loan commitments and foreign

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currency exchange contracts, which are shown at the unrealized appreciation/
depreciation on the instrument.

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

| | Investments in Securities | | | | | Total | |
|---|---------------------------|--------------------|---------------------------------------|---------------------|---------------|----------------------|--|
| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | | |
| | | | | | | | |
| | | | | | | | |
| Balance, as of August 31, 2009 | \$ 16,332 | 6,417,361 | \$ 97,288,159 | \$ 777,120 | | \$104,498,972 | |
| Accrued discounts/premiums | | | | | | | |
| Realized gain (loss) | | (3,718) | (11,699,270) | (44,038) | | (11,747,026) | |
| Change in unrealized appreciation/depreciation ² | | 3,717 | 23,786,736 | 1,211,361 | | 25,001,814 | |
| Net purchases (sales) | | 39,011 | (37,558,238) | | | (37,519,227) | |
| Net transfers in/out of Level 3 | 18,170 | | (17,570,882) | | \$ 486 | (17,552,226) | |
| Balance, as of February 28, 2010 | \$ 34,502 | 6,456,371 | \$ 54,246,505 | \$ 1,944,443 | \$ 486 | \$ 62,682,307 | |

² Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on securities still

held at February 28, 2010 was \$11,128,072.

The following table is a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used to determine fair value:

| | Other Financial Instruments ³ | |
|--|---|---------------------|
| | Assets | Liabilities |
| Balance, as of August 31, 2009 | | \$ (112,385) |
| Accrued discounts/premiums | | |
| Realized gain (loss) | | |
| Change in unrealized appreciation/depreciation | | |
| Net purchases (sales) | | |
| Net transfers in/out of Level 3 | \$ 2,039 | 9,082 |
| Balance as of February 28, 2010 | \$ 2,039 | \$ (103,303) |

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Statement of Assets and Liabilities

Master Senior Floating Rate LLC

February 28, 2010 (Unaudited)

Assets

| | |
|--|--------------------|
| Investments at value - unaffiliated (cost \$485,119,192) | \$ 451,639,916 |
| Investments at value - affiliated (cost \$36,095,866) | 36,095,866 |
| Unrealized appreciation on foreign currency exchange contracts | 1,636,220 |
| Unrealized appreciation on unfunded loan commitments | 2,039 |
| Cash | 1,065,997 |
| Foreign currency at value (cost \$771,509) | 767,029 |
| Investments sold receivable | 19,126,745 |
| Interest receivable | 4,637,475 |
| Contributions receivable from investors | 1,205,505 |
| Principal paydown receivable | 12,500 |
| Commitment fees receivable | 1,792 |
| Prepaid expenses | 18,214 |
| Other assets | 5,001 |
| Total assets | 516,214,299 |

Liabilities

| | |
|--|-----------------------|
| Unrealized depreciation on foreign currency exchange contracts | 64,758 |
| Unrealized depreciation on unfunded loan commitments | 103,303 |
| Investments purchased payable | 53,352,591 |
| Investment advisory fees payable | 332,834 |
| Other affiliates payable | 3,660 |
| Officer's and Directors' fees payable | 512 |
| Other accrued expenses payable | 55,284 |
| Other liabilities | 4,027 |
| Total liabilities | 53,916,969 |
| Net Assets | \$ 462,297,330 |

Net Assets Consist of

| | |
|--|-----------------------|
| Investors' capital | \$ 494,191,973 |
| Net unrealized appreciation/depreciation | (31,894,643) |
| Net Assets | \$ 462,297,330 |

See Notes to Financial Statements.

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Statement of Operations

Master Senior Floating Rate LLC

Six Months Ended February 28, 2010 (Unaudited)

| Investment Income | |
|---|----------------------|
| Interest | \$ 14,517,352 |
| Income - affiliated | 14,974 |
| Facility and other fees | 184,650 |
| Total income | 14,716,976 |
| Expenses | |
| Investment advisory | 2,165,409 |
| Professional | 84,391 |
| Accounting services | 79,597 |
| Custodian | 24,279 |
| Officer and Directors | 21,782 |
| Printing | 3,190 |
| Miscellaneous | 41,472 |
| Total expenses excluding interest expense | 2,420,120 |
| Interest expense | 16,110 |
| Total expenses | 2,436,230 |
| Less fees waived by advisor | (6,789) |
| Total expenses after fees waived | 2,429,441 |
| Net investment income | 12,287,535 |
| Realized and Unrealized Gain (Loss) | |
| Net realized loss from: | |
| Investments | (19,313,686) |
| Swaps | (500,317) |
| Foreign currency transactions | (623,362) |
| | (20,437,365) |
| Net change in unrealized appreciation/depreciation on: | |
| Investments | 42,601,613 |
| Swaps | 290,086 |
| Foreign currency transactions | 1,909,813 |
| Unfunded loan commitments | 11,121 |
| | 44,812,633 |
| Total realized and unrealized gain | 24,375,268 |
| Net Increase in Net Assets Resulting from Operations | \$ 36,662,803 |

Statement of Changes in Net Assets

Master Senior Floating Rate LLC

Six Months Ended

| February 28, | Year Ended |
|--------------|------------|
| 2010 | August 31, |

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| Increase (Decrease) in Net Assets: | (Unaudited) | 2009 |
|---|----------------|----------------|
| Operations | | |
| Net investment income | \$ 12,287,535 | \$ 27,640,754 |
| Net realized loss | (20,437,365) | (49,899,586) |
| Net change in unrealized appreciation/depreciation | 44,812,633 | (16,926,300) |
| Net increase (decrease) in net assets resulting from operations | 36,662,803 | (39,185,132) |
| Capital Transactions | | |
| Proceeds from contributions | 14,885,341 | 45,763,562 |
| Value of withdrawals | (52,534,771) | (132,042,492) |
| Net decrease in net assets derived from capital transactions | (37,649,430) | (86,278,930) |
| Net Assets | | |
| Total decrease in net assets | (986,627) | (125,464,062) |
| Beginning of period | 463,283,957 | 588,748,019 |
| End of period | \$ 462,297,330 | \$ 463,283,957 |
| See Notes to Financial Statements. | | |

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Statement of Cash Flows

Master Senior Floating Rate
LLC

Six Months Ended February 28, 2010 (Unaudited)

Cash Provided by Operating Activities

| | |
|---|---------------|
| Net increase in net assets resulting from operations, excluding dividends to Preferred Shareholders | \$ 36,662,803 |
| Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities: | |
| Increase in interest receivable | (666,329) |
| Increase in commitment fees receivable | (1,792) |
| Decrease in other assets | 184,285 |
| Decrease in investment advisor payable | (34,691) |
| Increase in other affiliates payable | 2,218 |
| Decrease in accrued expenses payable | (54,809) |
| Decrease in deferred income | (142,136) |
| Decrease in swaps payable | (32,025) |
| Decrease in other liabilities | (11,575) |
| Decrease in officers and directors payable | (213) |
| Swap premium received | 52,260 |
| Realized and unrealized gain-net | (24,128,369) |
| Amortization of premium and discount on investments | (2,669,933) |
| Paid-in-kind income | (197,900) |
| Proceeds from sales and paydowns of long-term investments | 256,294,242 |
| Purchases of long-term investments | (222,971,306) |
| Net Purchases of short-term securities | (2,487,443) |
| Cash provided by operating activities | 39,797,287 |

Cash Used for Financing Activities

| | |
|--|--------------|
| Proceeds from issuance of Common Stock | 14,428,091 |
| Cash Payments on Common Stock | (52,534,771) |
| Cash receipts from borrowings | 32,000,000 |
| Cash payments from borrowings | (32,000,000) |
| Cash used for financing activities | (38,106,680) |

Cash Impact From Foreign Exchange Fluctuations

| | |
|--|---------|
| Cash impact from foreign exchange fluctuations | (4,465) |
|--|---------|

Cash

| | |
|-----------------------------|--------------|
| Net increase in cash | 1,686,142 |
| Cash at beginning of period | 146,884 |
| Cash at end of period | \$ 1,833,026 |

Cash Flow Information

| | |
|------------------------|-----------|
| Cash paid for interest | \$ 16,110 |
|------------------------|-----------|

See Notes to Financial Statements.

| Financial Highlights | Master Senior Floating Rate LLC | | | | | |
|---|--|--------------------------|------------|------------|------------|--------------|
| | Six Months Ended February 28, 2010 (Unaudited) | Year Ended August 31, | | | | |
| | | 2009 | 2008 | 2007 | 2006 | 2005 |
| | | | | | | |
| Total Investment Return | | | | | | |
| Total investment return | 8.21% ¹ | (4.23)% | (1.08)% | 3.49% | 5.37% | 5.78% |
| Ratios to Average Net Assets | | | | | | |
| Total expenses | 1.07% ² | 1.05% | 1.04% | 1.04% | 1.04% | 1.01% |
| Total expenses after fees waived | 1.07% ² | 1.05% | 1.04% | 1.04% | 1.04% | 1.01% |
| Total expenses after fees waived and excluding interest expense | 1.06% ² | 1.04% | 1.04% | 1.02% | 1.03% | 1.01% |
| Net investment income | 5.42% ² | 6.44% | 6.41% | 7.07% | 6.22% | 4.52% |
| Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 462,297 | \$ 463,284 | \$ 588,748 | \$ 758,328 | \$ 925,910 | \$ 1,032,819 |
| Portfolio turnover | 56% | 47% | 56% | 46% | 54% | 53% |
| Average loan outstanding during the period (000) | \$ 2,105 | \$ 420 | | \$ 2,255 | \$ 1,932 | |
| ¹ Aggregate total investment return. | | | | | | |
| ² Annualized. | | | | | | |

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited) Master Senior Floating Rate LLC

1. Organization and Significant Accounting Policies:

Master Senior Floating Rate LLC (the Master LLC) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), and is organized as a Delaware limited liability company. The Master LLC's Limited Liability Company Agreement permits the Board of Directors of the Master LLC (the Board) to issue nontransferable interests, subject to certain limitations. The Master LLC's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates.

The following is a summary of significant accounting policies followed by the Master LLC:

Valuation: The Master LLC's policy is to fair value its financial instruments at market value. The Master LLC values its bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services selected under the supervision of the Master LLC's Board. Floating rate loan interests are valued at the mean between the last available bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Swap agreements are valued utilizing quotes received daily by the Master LLC's pricing service or through brokers which are derived using daily swap curves and trades of underlying securities. Investments in open-end investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued by a method approved by the Master LLC's Board as reflecting

fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that the Master LLC might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of the Master LLC's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board.

Foreign Currency Transactions: Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Master LLC reports foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Floating Rate Loans: The Master LLC may invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions and privately and publicly offered corporations. Floating rate loans are senior in the debt structure of a corporation. Floating rate loans generally pay interest at rates that are periodically determined 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 European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more US banks or (iii) the certificate of deposit rate. The Master LLC considers these investments to be investments in debt securities for purposes of their investment policies.

The Master LLC earns and/or pays facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent and prepayment penalty fees. Facility, commitment and amendment fees are typically amortized over the term of the loan. Consent fees and various other fees are recorded as income. Prepayment penalty fees are recorded as realized gains. When the Master LLC buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, the Master LLC may receive a commit-

ment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, the Master LLC may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by the Master LLC may include covenant waiver fees and covenant modification fees.

The Master LLC may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loans are usually freely callable at the issuer's option. The Master LLC may invest in such loans in the form of participations in loans

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Notes to Financial Statements (continued) Master Senior Floating Rate LLC

(Participations) and assignments of all or a portion of loans from third parties. Participations typically will result in the Master LLC having a contractual relationship only with the lender, not with the borrower. The Master LLC will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower.

In connection with purchasing Participations, the Master LLC generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loans, nor any rights of offset against the borrower, and the Master LLC may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, the Master LLC will assume the credit risk of both the borrower and the lender that is selling the Participation. The Master LLC's investments in loan participation interests involve the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Master LLC may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the SEC require that the Master LLC either delivers collateral or segregates assets in connection with certain investments (e.g., swaps and foreign currency exchange contracts), the Master LLC will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Interest income is recognized on the accrual basis. The Master LLC amortizes all premiums and discounts on debt securities.

Income Taxes: The Master LLC is classified as a partnership for federal income tax purposes. As such, each investor in the Master LLC is treated as owner of its proportionate share of the net assets, income, expenses and realized and unrealized gains and losses of the Master LLC. Therefore, no federal income tax provision is required. It is intended that the Master LLC's assets will be managed so an investor in the Master LLC can satisfy the requirements of Subchapter M of the Internal Revenue Code.

The Master LLC files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Master LLC's US federal tax returns remains open for each of the four years ended August 31, 2009. The statutes of limitations on the Master LLC's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Standards: In June 2009, amended guidance was issued by the Financial Accounting Standards Board (FASB) for transfers of financial assets. This guidance is intended to improve the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. The amended guidance is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. Earlier application is prohibited. The recognition and measurement provisions of this guidance must be applied to transfers occurring on or after the effective date. Additionally, the enhanced disclosure provisions of the amended guidance should be applied to transfers that occurred both before and after the effective date of this guidance. The impact of this guidance on the Master LLC's financial statements and disclosures, if any, is currently being assessed.

In January 2010, the FASB issued amended guidance to improve disclosure about fair value measurements which will require additional disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). It also clarifies existing disclosure requirements relating to the levels of disaggregation for fair value measurement and inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years and interim periods beginning after December 15, 2009 except for disclosures about purchases, sales, issuances and settlements in the rollforward of activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The impact of this guidance on the Master LLC's financial statements and disclosures is currently being assessed.

Other: Expenses directly related to the Master LLC are charged to the Master LLC. Other operating expenses shared by several funds are pro-rated among those funds on the basis of relative net assets or other appropriate methods. The Master LLC has an arrangement with its custodian whereby fees may be reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statement of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Master LLC may engage in various portfolio investment strategies both to increase the return of the Master LLC and to economically hedge, or protect, its exposure to certain risks such as credit risk and foreign currency exchange rate risk. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying instrument or if the counterparty does not perform under the contract. The Master LLC may mitigate counterparty risk through master netting agreements included within an International Swap and Derivatives Association, Inc. (ISDA) Master Agreement between the Master LLC and each of its counterparties. The ISDA Master Agreement allows the Master LLC to offset

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Notes to Financial Statements (continued) Master Senior Floating Rate LLC

with its counterparty certain derivative financial instrument s payables and/or receivables with collateral held with each counterparty. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Master LLC from its counterparties are not fully collateralized contractually or otherwise, the Master LLC bears the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices.

The Master LLC s maximum risk of loss from counterparty credit risk on over-the counter (OTC) derivatives is generally the aggregate unrealized gain in excess of any collateral pledged by the counterparty to the Master LLC. Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Master LLC s net assets decline by a stated percentage or the Master LLC fails to meet the terms of its ISDA Master Agreements, which would cause the Master LLC to accelerate payment of any net liability owed to the counterparty.

Foreign Currency Exchange Contracts: The Master LLC may enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio positions (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Master LLC, help to manage the overall exposure to the foreign currency backing some of the investments held by the Master LLC. The contract is marked-to-market daily and the change in market value is recorded by the Master LLC as an unrealized gain or loss. When the contract is closed, the Master LLC records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that counterparties may not meet the terms of the agreement or unfavorable movements in the value of a foreign currency relative to the US dollar.

Swaps: The Master LLC may enter into swap agreements, in which the Master LLC and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Master LLC are recorded in the Statement of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Master LLC will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Master LLC s basis in the contract, if any. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statement of Assets

and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Credit default swaps The Master LLC may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which it is not otherwise exposed (credit risk). The Master LLC enters into credit default agreements to provide a measure of protection against the default of an issuer (as buyer protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). The Master LLC may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign) or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a negative credit event take place (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Master LLC will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising of an index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index. As a seller (writer), if an underlying credit event occurs, the Master LLC will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising of an index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index.

Derivatives Instruments Categorized by Risk Exposure:

Values of Derivative Instruments as of February 28, 2010

| Asset Derivatives | Liability | Derivatives |
|--------------------------|----------------------|--------------------|
| Statement | Statement | |
| of Assets and | of Assets and | |
| Liabilities | Liabilities | |
| Location Value | Location | Value |
| Unrealized | Unrealized | |

| | | | |
|--|-----------------------|--------------|----------|
| | appreciation | depreciation | |
| | on foreign | on foreign | |
| | currency | currency | |
| Foreign currency exchange | exchange | exchange | |
| contracts | contracts \$1,636,220 | contracts | \$64,758 |
| The Effect of Derivative Instruments on the Statement of Operations | | | |
| Six Months Ended February 28, 2010 | | | |

Net Realized Gain (Loss) from

| | | |
|--------------------------------------|--|----------------------|
| Foreign currency exchange contracts: | | |
| Foreign currency transactions | | \$ (516,772) |
| Credit contracts: | | |
| Swaps | | (500,317) |
| Total | | \$(1,017,089) |

Notes to Financial Statements (continued) Master Senior Floating Rate LLC

| Net Change in Unrealized Appreciation/Depreciation on | |
|---|---------------------|
| Foreign currency exchange contracts: | |
| Foreign currency transactions | \$ 1,772,384 |
| Credit contracts: | |
| Swaps | 290,086 |
| Total | \$ 2,062,470 |
| For the six months ended February 28, 2010, the average quarterly balance of outstanding derivative financial instruments was as follows: | |
| Foreign currency exchange contracts: | |
| Average number of contracts US dollars purchased | 7 |
| Average number of contracts US dollars sold | 1 |
| Average US dollar amounts purchased | \$28,717,937 |
| Average US dollar amounts sold | \$ 1,128,656 |

3. Investment Advisory Agreements and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC"), and Barclays Bank PLC ("Barclays") are the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but BAC and Barclays are not.

The Master LLC has entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Master LLC's investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services.

The Manager is responsible for the management of the Master LLC's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Master LLC. For such services, the Master LLC pays the Manager a monthly fee at an annual rate of 0.95% of the average daily value of the Master LLC's net assets.

The Manager has entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Manager, under which the Manager pays BFM for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by the Master LLC to the Manager.

The Manager has voluntarily agreed to waive its advisory fees by the amount of investment advisory fees the Master LLC pays to the Manager indirectly through its investment in affiliated money market funds; however, the Manager does not waive its advisory fees by the amount of investment

advisory fees through its investment in other affiliated investment companies. This amount is shown as fees waived by advisor in the Statement of Operations.

For the six months ended February 28, 2010, the Master LLC reimbursed the Manager \$3,951 for certain accounting services, which is included in accounting services in the Statement of Operations.

Certain officers and/or directors of the Master LLC are officers and/or directors of BlackRock or its affiliates.

4. Investments:

Purchases and sales of investments, including paydowns and excluding short-term securities, for the six months ended February 28, 2010 were \$253,714,452 and \$271,526,468, respectively.

5. Borrowings:

The Master LLC, along with certain other funds managed by the Manager and its affiliates, is a party to a \$500 million credit agreement with a group of lenders, which was renewed until November 2010. The Master LLC may borrow under the credit agreement to fund shareholder redemptions and for other lawful purposes other than for leverage. The Master LLC may borrow up to the maximum amount allowable under the Master LLC's current Prospectus and Statement of Additional Information, subject to various other legal, regulatory or contractual limits. Prior to its renewal the credit agreement had the following terms: 0.02% upfront fee on the aggregate commitment amount which was allocated to the Master LLC based on its net assets as of October 31, 2008; a commitment fee of 0.08% per annum based on the Master LLC's pro rata share of the unused portion of the credit agreement, which is included in miscellaneous in the Statement of Operations, and interest at a rate equal to the higher of the (a) federal funds effective rate and (b) reserve adjusted one-month LIBOR, plus, in each case, the higher of (i) 1.50% and (ii) 50% of the CDX Index (as defined in the credit agreement) on amounts borrowed. Effective November 2009, the credit agreement was renewed with the following terms: 0.02% upfront fee on the aggregate commitment amount which was allocated to the Master LLC based on its net assets as of October 31, 2009, a commitment fee of 0.10% per annum on the Master LLC's pro rata share of the unused portion of the credit agreement and interest at a rate equal to the higher of the (a) one-month LIBOR plus 1.25% per annum and (b) the Fed Funds rate plus 1.25% per annum on amounts borrowed. For the six months ended February 28, 2010, the daily average weighted interest rate was 1.54%.

6. Market and Credit Risk:

In the normal course of business, the Master LLC invests in securities and enters into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations

(credit risk). The value of securities held by the Master LLC may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Master LLC; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to credit risk, the Master LLC may be exposed to counterparty risk, or the risk that an entity with which the Master LLC has unsettled or open transactions may default. Financial assets, which potentially expose the Master LLC to credit and counterparty risks, consist principally of investments and cash due from counterparties. The extent of the Master LLC's exposure to credit and counterparty risks with respect to these financial assets is generally approximated by their value recorded in the Master LLC's Statement of Assets and Liabilities, less any collateral held by the Master LLC.

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Notes to Financial Statements (concluded) Master Senior Floating Rate LLC

7. Commitments:

The Master LLC may invest in floating rate loans. In connection with these investments, the Mater LLC may also enter into unfunded corporate loans (commitments). Commitments may obligate the Master LLC to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Master LLC earns a commitment fee, typically set as a percentage of the commitment amount.

Such fee income, which is classified in the Statement of Operations as facility and other fees, is recognized ratably over the commitment period. As of February 28, 2010, the Master LLC had the following unfunded loan commitments:

| Borrower | Unfunded Commitment | Value of Underlying Loan |
|---------------------------------|--------------------------------|---|
| | (000) | (000) |
| New Vision | \$2,185 | \$2,082 |
| Vought Aircraft Industries, Inc | \$ 40 | \$ 42 |

8. Subsequent Events:

Management has evaluated the impact of all subsequent events on the Master LLC through the date that the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

Officers and Directors

Richard E. Cavanagh, Chairman of the Board and Director
 Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Director
 G. Nicholas Beckwith, III, Director
 Richard S. Davis, Director
 Frank J. Fabozzi, Director and Member of the Audit Committee
 Kathleen F. Feldstein, Director
 James T. Flynn, Director and Member of the Audit Committee
 Henry Gabbay, Director
 Jerrold B. Harris, Director
 R. Glenn Hubbard, Director
 W. Carl Kester, Director and Member of the Audit Committee
 Anne Ackerley, Fund President and Chief Executive Officer
 Brendan Kyne, Vice President
 Neal Andrews, Chief Financial Officer
 Jay Fife, Treasurer

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Brian Kindelan, Chief Compliance Officer of the Funds
Howard Surloff, Secretary

Investment Advisor

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisor

BlackRock Financial
Management, Inc.
New York, NY 10055

Custodians

State Street Bank and Trust Company¹
Boston, MA 02111

The Bank of New York Mellon²
New York, NY 10286

Transfer Agents

Common Shares
Computershare Trust Company, N.A.¹
Providence, RI 02940

PNC Global Investment Servicing
(U.S.) Inc.²
Wilmington, DE 19809

Accounting Agent

State Street Bank and Trust Company
Princeton, NJ 08540

Independent Registered Public

Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Legal Counsel

Skadden, Arps, Slate, Meagher
& Flom LLP
New York, NY 10036

Address of the Funds

100 Bellevue Parkway
Wilmington, DE 19809

¹ For BHL, DVF, FRA, and BLW.

² For Senior Floating Rate and
Senior Floating Rate II.

Effective January 1, 2010, Kent Dixon, a Director of the Funds, retired.

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Effective March 31, 2010, G. Nicholas Beckwith, III, a Director of the Funds, resigned.

The Funds Board of Directors wishes both Mr. Dixon and Mr. Beckwith well.

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Additional Information

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to

net investment income earned in that month. As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

General Information

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

Householding

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call (800) 441-7762.

Availability of Quarterly Schedule of Investments

Each Fund/Master LLC files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Funds' /Master LLC's Forms

N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (202) 551-8090. Each Fund's/Master LLC's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that each Fund/Master LLC uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at www.blackrock.com; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the Funds/Master LLC voted proxies relating to securities held in each Fund's/Master LLC's portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at www.blackrock.com or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

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Additional Information (concluded)

Section 19(a) Notices

These reported amounts and sources of distributions are estimates and are not provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment results during the year and may be subject to changes based on tax regulations. Each Fund will provide a Form 1099-DIV for the calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

February 28, 2010

| | Net | Total Cumulative Distributions for the Fiscal Year-to-Date | | | % Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date | | | |
|-----|-------------------|--|-------------------|--------------|---|---------------|-----------|--------------|
| | | Net | Realized | Total Per | Net | Realized | Return of | Total Per |
| | Investment Income | Capital Gains | Return of Capital | Common Share | Investment Income | Capital Gains | Capital | Common Share |
| BHL | \$0.34200 | | | \$0.34200 | 100% | | | 100% |
| DVF | \$0.37571 | | \$0.06529 | \$0.44100 | 85% | | 15% | 100% |
| FRA | \$0.42400 | | \$0.06500 | \$0.48900 | 87% | | 13% | 100% |
| BLW | \$0.42000 | | | \$0.42000 | 100% | | | 100% |

Each Fund estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in a Fund is returned to the shareholder.

A return of capital does not necessarily reflect a Fund's investment performance and should not be confused with yield or income.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we

receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. BlackRock Defined Opportunity Credit Trust, BlackRock Diversified Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock Limited Duration Income Trust, BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. leverage their Common Shares, which creates risk for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies Not Applicable to this semi-annual report

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable

Item 10 Submission of Matters to a Vote of Security Holders The registrant's Nominating and Governance Committee will consider nominees to the board of directors recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations that include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 Controls and Procedures

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

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

Item 12 Exhibits attached hereto

12(a)(1) Code of Ethics Not Applicable to this semi-annual report

12(a)(2) Certifications Attached hereto

12(a)(3) Not Applicable

12(b) Certifications Attached hereto

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

BlackRock Floating Rate Income Strategies Fund, Inc.

By: /s/ Anne F. Ackerley

Anne F. Ackerley

Chief Executive Officer of

BlackRock Floating Rate Income Strategies Fund, Inc.

Date: April 28, 2010

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

By: /s/ Anne F. Ackerley

Anne F. Ackerley

Chief Executive Officer (principal executive officer) of

BlackRock Floating Rate Income Strategies Fund, Inc.

Date: April 28, 2010

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Floating Rate Income Strategies Fund, Inc.

Date: April 28, 2010
