

BLACKROCK DEBT STRATEGIES FUND, INC.  
Form N-Q  
July 27, 2012  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 02/28/2013

Date of reporting period: 05/31/2012

Item 1 – Schedule of Investments

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Consolidated Schedule of Investments May 31, 2012 (Unaudited)

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

	Par (000)	Value
<b>Asset-Backed Securities</b>		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	USD 611	\$ 641,971
CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16	625	629,875
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	765	679,703
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.83%, 10/27/20 (b)	940	766,100
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.61%, 4/17/22 (a)(b)	1,250	1,155,875
Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.89%, 11/15/17 (b)	1,980	1,725,768
LCM LP (a)(b):		
Series 11A, Class D2, 4.28%, 4/19/22	1,300	1,159,600
Series 9A, Class E, 4.67%, 7/14/22	1,000	792,400
Symphony CLO Ltd., Series 2012-9A, Class D, 4.62%, 4/16/22 (a)(b)	1,075	997,277
<b>Total Asset-Backed Securities 2.0%</b>		<b>8,548,569</b>

	Shares	Value
<b>Common Stocks (c)</b>		
<b>Chemicals 0.0%</b>		
GEO Specialty Chemicals, Inc.	339,340	156,096
<b>Containers &amp; Packaging 0.1%</b>		
Smurfit Kappa Plc	36,342	229,101
<b>Diversified Financial Services 1.1%</b>		
Kcad Holdings I Ltd.	590,545,406	4,681,253
Preferred Term Securities VI Ltd.	35,000	1,750
		4,683,003
<b>Electrical Equipment 0.0%</b>		
Medis Technologies Ltd.	286,757	1,061
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets Restaurants Holdings, Inc.	2,753	138
HRP PIK Corp., Class B (a)	5,000	138
<b>Metals &amp; Mining 0.1%</b>		
Euramax International	2,337	677,817
<b>Paper &amp; Forest Products 0.4%</b>		
Ainsworth Lumber Co. Ltd. (c)	1,264,850	1,494,038
<b>Common Stocks (c)</b>		
<b>Paper &amp; Forest Products (concluded)</b>		
Western Forest Products, Inc.	211,149	\$ 169,680
		1,663,718
<b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>		

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SunPower Corp.	1,707	8,552
<b>Software 0.0%</b>		
Bankruptcy Management Solutions, Inc.	1,870	56
HMH Holdings/EduMedia	159,199	1,592
		1,648
<b>Specialty Retail 0.0%</b>		
Movie Gallery, Inc.	503,737	5
<b>Total Common Stocks 1.7%</b>		7,421,139

	Par (000)	
<b>Corporate Bonds</b>		
<b>Aerospace &amp; Defense 0.5%</b>		
Huntington Ingalls Industries, Inc., 7.13%, 3/15/21	USD 810	840,375
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	1,364	1,445,840
		2,286,215
<b>Airlines 0.2%</b>		
Delta Air Lines, Inc., Series 2009- 1, Class B, 9.75%, 6/17/18	183	195,414
United Air Lines, Inc., 12.75%, 7/15/12	786	793,520
		988,934
<b>Auto Components 1.9%</b>		
Baker Corp. International, Inc., 8.25%, 6/01/19 (a)	170	170,000
Delphi Corp., 6.13%, 5/15/21	560	596,400
Icahn Enterprises LP: 7.75%, 1/15/16	220	231,000
8.00%, 1/15/18	5,360	5,674,900
Jaguar Land Rover Plc, 8.25%, 3/15/20	GBP 392	592,672
Titan International, Inc., 7.88%, 10/01/17	USD 940	972,900
Venture Holdings Co. LLC (c)(d): 12.00%, 7/01/49	4,450	0.00
Series B, 9.50%, 7/01/05	1,800	0.00
		8,237,872
<b>Beverages 0.3%</b>		
Crown European Holdings SA: 7.13%, 8/15/18 (a)	EUR 410	541,185
7.13%, 8/15/18	412	543,825

## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Beverages (concluded)</b>		
Refresco Group BV, 7.38%, 5/15/18	EUR 213	\$ 234,404
		1,319,414
<b>Biotechnology 0.0%</b>		
QHP Royalty Sub LLC, 10.25%, 3/15/15 (a)	USD 137	137,201
<b>Building Products 0.4%</b>		
Building Materials Corp. of America (a):		
7.00%, 2/15/20	1,000	1,050,000
6.75%, 5/01/21	590	603,275
		1,653,275
<b>Capital Markets 1.0%</b>		
American Capital Ltd., 7.96%, 12/31/13 (e)	1,175	1,178,302
E*Trade Financial Corp.:		
12.50%, 11/30/17	1,765	2,025,337
2.36%, 8/31/19 (a)(f)(g)	593	500,344
KKR Group Finance Co., 6.38%, 9/29/20 (a)	540	581,218
		4,285,201
<b>Chemicals 5.0%</b>		
American Pacific Corp., 9.00%, 2/01/15	1,490	1,482,550
Celanese US Holdings LLC, 5.88%, 6/15/21	1,415	1,475,138
GEO Specialty Chemicals, Inc.:		
7.50%, 3/31/15	4,171	4,963,237
10.00%, 3/31/15	4,106	4,105,600
Hexion US Finance Corp.:		
6.63%, 4/15/20 (a)	1,715	1,736,437
9.00%, 11/15/20	670	584,575
Huntsman International LLC, 8.63%, 3/15/21	735	823,200
Ineos Finance Plc (a):		
8.38%, 2/15/19	1,470	1,510,425
7.50%, 5/01/20	715	707,850
Ineos Group Holdings Plc, 8.50%, 2/15/16 (a)	240	216,600
Kinove German Bondco GmbH, 9.63%, 6/15/18 (a)	800	818,000
LyondellBasell Industries NV (a):		
6.00%, 11/15/21	930	995,100
5.75%, 4/15/24	1,775	1,819,375
NOVA Chemicals Corp., 8.63%, 11/01/19	570	636,975
		21,875,062
<b>Commercial Banks 0.9%</b>		
CIT Group, Inc.:		
7.00%, 5/02/16 (a)	1,940	1,937,575
5.00%, 5/15/17	620	609,150

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5.50%, 2/15/19 (a)		1,430		1,390,675
				3,937,400
		<b>Par (000)</b>		<b>Value</b>
<b>Corporate Bonds</b>				
<b>Commercial Services &amp; Supplies 1.5%</b>				
ARAMARK Holdings Corp., 8.63%, 5/01/16 (a)(h)	USD	625	\$	639,069
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)		757		781,297
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)		55		52,800
Covanta Holding Corp., 6.38%, 10/01/22		800		829,503
The Geo Group, Inc., 7.75%, 10/15/17		850		907,375
Iron Mountain, Inc., 7.75%, 10/01/19		430		457,950
Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (a)		1,275		1,310,062
Mobile Mini, Inc., 7.88%, 12/01/20		640		672,000
Verisure Holding AB: 8.75%, 9/01/18	EUR	400		463,688
8.75%, 12/01/18		149		153,839
West Corp., 8.63%, 10/01/18	USD	315		328,388
				6,595,971
<b>Communications Equipment 0.2%</b>				
Avaya, Inc., 9.75%, 11/01/15		360		297,000
Hughes Satellite Systems Corp., 6.50%, 6/15/19		600		609,000
				906,000
<b>Construction Materials 0.4%</b>				
HD Supply, Inc., 8.13%, 4/15/19 (a)		1,540		1,605,450
<b>Consumer Finance 0.1%</b>				
Ford Motor Credit Co. LLC: 7.00%, 4/15/15		280		314,300
6.63%, 8/15/17		148		171,849
				486,149
<b>Containers &amp; Packaging 1.4%</b>				
Ardagh Packaging Finance Plc: 7.38%, 10/15/17 (a)	EUR	385		490,334
7.38%, 10/15/17		100		127,360
9.13%, 10/15/20 (a)	USD	300		309,000
Ball Corp., 6.75%, 9/15/20		625		678,125
Berry Plastics Corp.: 4.35%, 9/15/14 (b)		495		484,481
8.25%, 11/15/15		655		692,663
9.75%, 1/15/21		475		494,000
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR	1,155		1,256,779
Sealed Air Corp. (a): 8.13%, 9/15/19	USD	770		835,450
8.38%, 9/15/21		210		231,000
Smurfit Kappa Acquisitions, 7.75%, 11/15/19	EUR	390		506,347
				6,105,539



## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Diversified Consumer Services 0.2%</b>		
ServiceMaster Co., 8.00%, 2/15/20	USD 825	\$ 865,219
<b>Diversified Financial Services 3.1%</b>		
Ally Financial, Inc.:		
7.50%, 12/31/13	90	95,400
8.30%, 2/12/15	1,330	1,423,100
7.50%, 9/15/20	1,990	2,184,025
8.00%, 11/01/31	2,460	2,767,500
8.00%, 11/01/31	1,030	1,151,194
Archemedes Funding III Ltd., 5.50%, 11/29/12	1,829	
CNG Holdings, Inc., 9.38%, 5/15/20 (a)	490	492,450
DPL, Inc., 7.25%, 10/15/21 (a)	180	195,750
Reynolds Group Issuer, Inc.:		
7.75%, 10/15/16 (a)	EUR 243	308,733
7.75%, 10/15/16 (e)	334	424,348
7.13%, 4/15/19 (a)	USD 1,070	1,099,425
9.88%, 8/15/19 (a)	2,000	1,995,000
6.88%, 2/15/21 (a)	920	933,800
8.50%, 2/15/21 (a)	155	143,763
WMG Acquisition Corp., 9.50%, 6/15/16 (a)	200	213,500
		13,427,988
<b>Diversified Telecommunication Services 1.4%</b>		
ITC Deltacom, Inc., 10.50%, 4/01/16	1,010	1,063,025
Level 3 Financing, Inc.:		
4.51%, 2/15/15 (b)	2,420	2,305,050
8.13%, 7/01/19	2,902	2,902,000
		6,270,075
<b>Electronic Equipment, Instruments &amp; Components 0.0%</b>		
Muzak Holdings LLC, 13.00%, 3/15/10 (c)(d)	2,675	
<b>Energy Equipment &amp; Services 2.4%</b>		
Calfrac Holdings LP, 7.50%, 12/01/20 (a)	1,680	1,579,200
Compagnie Générale de Géophysique Veritas, 6.50%, 6/01/21	2,100	2,058,000
Frac Tech Services LLC, 8.13%, 11/15/18 (a)	1,190	1,178,100
Gulfmark Offshore, Inc., 6.38%, 3/15/22 (a)	130	130,650
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a)	265	259,700
Key Energy Services, Inc., 6.75%, 3/01/21	740	742,775
MEG Energy Corp., 6.50%, 3/15/21 (a)	950	969,000

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Oil States International, Inc., 6.50%, 6/01/19	475	490,438
Peabody Energy Corp., 6.25%, 11/15/21 (a)	2,045	2,039,887

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Energy Equipment &amp; Services (concluded)</b>		
Precision Drilling Corp.:		
6.63%, 11/15/20	USD 250	\$ 253,750
6.50%, 12/15/21	840	846,300
		10,547,800
<b>Food &amp; Staples Retailing 0.1%</b>		
Rite Aid Corp., 9.25%, 3/15/20 (a)	435	416,513
<b>Food Products 0.2%</b>		
Constellation Brands, Inc., 6.00%, 5/01/22	460	488,750
Post Holdings, Inc., 7.38%, 2/15/22 (a)	260	264,550
		753,300
<b>Health Care Equipment &amp; Supplies 0.7%</b>		
Bausch & Lomb, Inc., 9.88%, 11/01/15	120	125,700
Biomet, Inc., 10.38%, 10/15/17 (h)	820	872,787
DJO Finance LLC:		
10.88%, 11/15/14	284	288,970
8.75%, 3/15/18 (a)	215	216,075
7.75%, 4/15/18	770	621,775
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (a)	640	636,800
Teleflex, Inc., 6.88%, 6/01/19	475	503,500
		3,265,607
<b>Health Care Providers &amp; Services 3.0%</b>		
Aviv Healthcare Properties LP:		
7.75%, 2/15/19	455	473,200
7.75%, 2/15/19 (a)	245	252,350
Crown Newco 3 Plc:		
7.00%, 2/15/18	GBP 194	284,791
7.00%, 2/15/18 (a)	108	158,127
HCA, Inc.:		
6.50%, 2/15/20	USD 2,020	2,133,625
7.88%, 2/15/20	1,210	1,327,975
5.88%, 3/15/22	2,380	2,362,150
IASIS Healthcare LLC, 8.38%, 5/15/19	1,265	1,189,100
Omnicare, Inc., 7.75%, 6/01/20	1,310	1,437,725
Tenet Healthcare Corp., 8.88%, 7/01/19	2,305	2,564,312
United Surgical Partners International, Inc., 9.00%, 4/01/20 (a)	415	430,563
Vanguard Health Holding Co. II LLC, 7.75%, 2/01/19 (a)	565	553,700
		13,167,618
<b>Health Care Technology 0.9%</b>		
IMS Health, Inc., 12.50%, 3/01/18 (a)	3,205	3,749,850





## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Hotels, Restaurants &amp; Leisure 1.5%</b>		
Affinity Gaming LLC/Affinity Gaming Finance Corp., 9.00%, 5/15/18 (a)	USD 235	\$ 235,000
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	210	223,125
10.00%, 12/15/18	750	506,250
8.50%, 2/15/20 (a)	1,205	1,200,481
Carlson Wagonlit BV, 6.88%, 6/15/19 (a)	260	258,700
Diamond Resorts Corp., 12.00%, 8/15/18	1,040	1,120,600
Gategroup Finance Luxembourg SA, 6.75%, 3/01/19	EUR 235	284,039
HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(c)(d)	USD 6,892	1
HRP Myrtle Beach Operations LLC (c)(d):		
12.50%, 4/01/13 (a)	5,000	1
0.00%, 12/31/49	5,000	1
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)	609	554,190
Travelport LLC:		
5.11%, 9/01/14 (b)	1,770	1,119,525
9.88%, 9/01/14	390	272,025
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (c)(d)	530	
Wynn Las Vegas LLC, 5.38%, 3/15/22 (a)	995	963,906
		6,737,844
<b>Household Durables 0.9%</b>		
Beazer Homes USA, Inc., 12.00%, 10/15/17	1,630	1,756,325
Libbey Glass, Inc., 6.88%, 5/15/20 (a)	175	175,437
Spie BondCo 3 SCA, 11.00%, 8/15/19	EUR 244	285,867
Standard Pacific Corp., 8.38%, 1/15/21	USD 1,685	1,802,950
		4,020,579
<b>Independent Power Producers &amp; Energy Traders 3.5%</b>		
AES Corp.:		
7.75%, 10/15/15	300	333,000
9.75%, 4/15/16	1,305	1,530,112
7.38%, 7/01/21 (a)	130	140,400
Calpine Corp. (a):		
7.25%, 10/15/17	920	970,600
7.50%, 2/15/21	365	381,425
Energy Future Holdings Corp., 10.00%, 1/15/20	2,315	2,459,687

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Energy Future Intermediate Holding Co.

LLC:			
10.00%, 12/01/20		5,880	6,335,700
11.75%, 3/01/22 (a)		1,060	1,081,200

	<b>Par</b>		
	<b>(000)</b>		<b>Value</b>

**Corporate Bonds**

<b>Independent Power Producers &amp; Energy Traders (concluded)</b>			
Laredo Petroleum, Inc.:			
9.50%, 2/15/19	USD	1,260	\$ 1,398,600
7.38%, 5/01/22 (a)		415	424,338
QEP Resources, Inc., 5.38%, 10/01/22		335	327,463
			15,382,525

**Industrial Conglomerates 1.7%**

Sequa Corp. (a):			
11.75%, 12/01/15		2,850	3,024,563
13.50%, 12/01/15		4,023	4,269,244
			7,293,807

**Insurance 0.6%**

CNO Financial Group, Inc., 9.00%, 1/15/18 (a)			
		1,649	1,747,940
Genworth Financial, Inc., 7.63%, 9/24/21		700	679,321
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)		415	356,900
			2,784,161

**IT Services 0.8%**

Epicor Software Corp., 8.63%, 5/01/19			
		720	721,800
First Data Corp.:			
7.38%, 6/15/19 (a)		835	835,000
8.25%, 1/15/21 (a)		535	518,950
12.63%, 1/15/21		764	720,070
SunGard Data Systems, Inc., 7.63%, 11/15/20		600	615,000
			3,410,820

**Machinery 0.9%**

UR Financing Escrow Corp. (a):			
5.75%, 7/15/18		877	892,347
7.38%, 5/15/20		565	579,125
7.63%, 4/15/22		2,328	2,380,380
			3,851,852

**Media 5.7%**

AMC Networks, Inc., 7.75%, 7/15/21 (a)			
		365	405,150
Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)			
		815	812,962
Checkout Holding Corp., 10.67%, 11/15/15 (a)(f)		1,090	425,100
Cinemark USA, Inc., 8.63%, 6/15/19		410	445,875
Clear Channel Communications, Inc., 9.00%, 3/01/21		765	657,900
Clear Channel Worldwide Holdings, Inc.:			
9.25%, 12/15/17		639	683,730
7.63%, 3/15/20 (a)		2,115	2,019,825
Series B, 9.25%, 12/15/17		5,512	5,925,400
DISH DBS Corp., 5.88%, 7/15/22 (a)		570	555,750



## Consolidated Schedule of Investments (continued)

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

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Media (concluded)</b>			
Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (a)	USD	1,370	\$ 1,359,725
Intelsat Luxembourg SA:			
11.25%, 6/15/16		310	323,563
11.25%, 2/04/17		250	245,625
11.50%, 2/04/17 (h)		1,190	1,169,175
Interactive Data Corp., 10.25%, 8/01/18		1,545	1,711,087
Lamar Media Corp., 5.88%, 2/01/22 (a)		480	483,000
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)		1,020	1,111,800
Nielsen Finance LLC, 7.75%, 10/15/18		1,235	1,327,625
ProQuest LLC, 9.00%, 10/15/18 (a)		415	356,900
Truven Health Analytics, Inc., 10.63%, 6/01/20 (a)(i)		380	374,300
Unitymedia Hessen GmbH & Co. KG: 8.13%, 12/01/17 (a)		2,730	2,880,150
7.50%, 3/15/19		1,040	1,097,216
Ziggo Finance BV, 6.13%, 11/15/17 (a)	EUR	538	698,499
			25,070,357
<b>Metals &amp; Mining 1.5%</b>			
Eco-Bat Finance Plc, 7.75%, 2/15/17		305	363,933
FMG Resources August 2006 Property Ltd. (a):			
6.88%, 2/01/18	USD	430	422,475
6.88%, 4/01/22		800	770,000
Global Brass and Copper, Inc., 9.50%, 6/01/19 (a)(i)		485	489,850
Kaiser Aluminum Corp., 8.25%, 6/01/20 (a)		360	361,800
New Gold, Inc., 7.00%, 4/15/20 (a)		120	122,400
Novelis, Inc., 8.75%, 12/15/20		3,625	3,833,437
RathGibson, Inc., 11.25%, 2/15/14 (c)(d)		4,440	
Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19	EUR	260	308,631
			6,672,526
<b>Oil, Gas &amp; Consumable Fuels 7.8%</b>			
Alpha Natural Resources, Inc.:			
6.00%, 6/01/19	USD	215	192,425
6.25%, 6/01/21		590	525,100
Berry Petroleum Co., 6.38%, 9/15/22		340	346,800
CCS, Inc., 11.00%, 11/15/15 (a)		920	952,200

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Chaparral Energy, Inc., 7.63%, 11/15/22 (a)	215	219,838
Chesapeake Energy Corp.: 6.63%, 8/15/20	545	512,300

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>		
Chesapeake Energy Corp. (concluded):		
6.88%, 11/15/20	USD 285	\$ 270,038
6.13%, 2/15/21	435	408,900
Chesapeake Midstream Partners LP, 6.13%, 7/15/22	785	745,750
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a)	5	4,325
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	191	203,415
Concho Resources, Inc., 5.50%, 10/01/22	395	388,088
Consol Energy, Inc.:		
8.25%, 4/01/20	2,145	2,145,000
6.38%, 3/01/21	440	402,600
Crosstex Energy LP:		
8.88%, 2/15/18	100	105,000
7.13%, 6/01/22 (a)	370	367,225
Denbury Resources, Inc., 8.25%, 2/15/20	50	54,000
Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19	1,300	1,313,000
Everest Acquisition LLC/Everest Acquisition Finance, Inc. (a):		
6.88%, 5/01/19	320	328,000
9.38%, 5/01/20	240	246,000
Forest Oil Corp., 8.50%, 2/15/14	195	204,750
Hilcorp Energy I LP, 7.63%, 4/15/21 (a)	2,100	2,194,500
Holly Energy Partners LP, 6.50%, 3/01/20 (a)	150	149,250
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a)	730	751,900
Linn Energy LLC:		
6.25%, 11/01/19 (a)	2,780	2,647,950
8.63%, 4/15/20	360	381,600
7.75%, 2/01/21	930	950,925
Newfield Exploration Co., 5.75%, 1/30/22	1,025	1,078,812
Northern Oil and Gas, Inc., 8.00%, 6/01/20 (a)	505	502,475
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	335	345,050
6.50%, 11/01/21	290	290,000
Offshore Group Investments Ltd.:		
11.50%, 8/01/15 (a)	395	420,675
11.50%, 8/01/15	315	335,475
OGX Petroleo e Gas Participacoes SA (a):		
8.50%, 6/01/18	4,930	4,745,125
8.38%, 4/01/22	565	535,337
PetroBakken Energy Ltd., 8.63%, 2/01/20 (a)	1,240	1,258,600
Petrohawk Energy Corp., 7.25%, 8/15/18	525	598,354

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Pioneer Natural Resources Co.,  
7.20%, 1/15/28

1,080

1,333,033

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2012

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (concluded)</b>		
Plains Exploration & Production Co., 6.75%, 2/01/22	USD 130	\$ 128,700
Range Resources Corp.:		
5.75%, 6/01/21	1,230	1,266,900
5.00%, 8/15/22	547	525,120
Samson Investment Co., 9.75%, 2/15/20 (a)	705	701,475
SandRidge Energy, Inc.:		
7.50%, 3/15/21	225	218,250
8.13%, 10/15/22 (a)	205	201,925
SESI LLC:		
6.38%, 5/01/19	530	556,500
7.13%, 12/15/21 (a)	525	572,250
SM Energy Co., 6.50%, 11/15/21	425	434,562
Targa Resources Partners LP, 6.88%, 2/01/21	485	499,550
Titan Petrochemicals Group Ltd., 8.50%, 3/18/49	1,760	704,000
		34,263,047
<b>Paper &amp; Forest Products 0.6%</b>		
Clearwater Paper Corp., 10.63%, 6/15/16	640	713,600
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	280	277,900
NewPage Corp., 11.38%, 12/31/14 (c)(d)	2,280	1,413,600
		2,405,100
<b>Pharmaceuticals 0.4%</b>		
Valeant Pharmaceuticals International (a):		
6.50%, 7/15/16	990	1,009,800
7.25%, 7/15/22	660	620,400
		1,630,200
<b>Real Estate Investment Trusts (REITs) 0.4%</b>		
Felcor Lodging LP, 6.75%, 6/01/19	1,825	1,829,562
<b>Real Estate Management &amp; Development 1.2%</b>		
Realogy Corp.:		
11.50%, 4/15/17	275	243,375
12.00%, 4/15/17	160	141,600
7.88%, 2/15/19 (a)	2,030	1,928,500
7.63%, 1/15/20 (a)	1,190	1,222,725
9.00%, 1/15/20 (a)	340	340,000
Shea Homes LP, 8.63%, 5/15/19	1,240	1,292,700
		5,168,900
<b>Road &amp; Rail 1.0%</b>		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	295	305,325
Florida East Coast Railway Corp., 8.13%, 2/01/17	370	379,250
The Hertz Corp.:		



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7.50%, 10/15/18		1,490	1,551,462
6.75%, 4/15/19		265	270,963

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Road &amp; Rail (concluded)</b>			
The Hertz Corp. (concluded):			
6.75%, 4/15/19 (a)	USD	285	\$ 291,412
7.38%, 1/15/21		1,280	1,342,400
			4,140,812
<b>Software 0.6%</b>			
Lawson Software, Inc., 9.38%, 4/01/19 (a)			
		2,500	2,575,000
<b>Specialty Retail 0.6%</b>			
Claire s Stores, Inc., 9.00%, 3/15/19 (a)			
		430	430,000
Penske Automotive Group, Inc., 7.75%, 12/15/16			
		1,275	1,319,625
Sally Holdings LLC:			
6.88%, 11/15/19 (a)		650	692,250
5.75%, 6/01/22		300	303,375
			2,745,250
<b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>			
Levi Strauss & Co., 6.88%, 5/01/22 (a)			
		265	263,013
PVH Corp., 7.75%, 11/15/23			
		410	469,450
			732,463
<b>Transportation Infrastructure 0.1%</b>			
Aguila 3 SA, 7.88%, 1/31/18 (a)			
		353	360,060
<b>Wireless Telecommunication Services 3.8%</b>			
Cricket Communications, Inc., 7.75%, 5/15/16			
		3,050	3,217,750
Digicel Group Ltd. (a):			
9.13%, 1/15/15		3,948	3,888,780
8.25%, 9/01/17		810	814,050
MetroPCS Wireless, Inc., 6.63%, 11/15/20			
		690	667,575
Sprint Capital Corp., 6.88%, 11/15/28			
		1,720	1,277,100
Sprint Nextel Corp. (a):			
9.00%, 11/15/18		4,260	4,611,450
7.00%, 3/01/20		1,900	1,914,250
			16,390,955
<b>Total Corporate Bonds 59.6%</b>			260,349,473

**Floating Rate Loan Interests (b)**

**Aerospace & Defense 0.3%**

TransDigm, Inc.:			
Add on Term Loan B2, 4.00%, 2/14/17			
		264	262,039
Term Loan (First Lien), 4.00%, 2/14/17			
		1,196	1,186,034
			1,448,073

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Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Airlines 0.4%</b>		
Delta Air Lines, Inc., Credit - New Term Loan B, 5.50%, 4/20/17	USD 1,867	\$ 1,855,459
<b>Auto Components 2.1%</b>		
Allison Transmission, Inc., Term Loan B, 2.74%, 8/07/14	2,255	2,211,327
August LuxUK Holding Co. Sarl, Luxco Term Loan, 6.25%, 4/27/18	195	195,486
Autoparts Holdings Ltd.: First Lien Term Loan, 6.50%, 7/28/17	1,393	1,347,728
Second Lien Term Loan, 10.50%, 1/29/18	1,800	1,629,000
Federal-Mogul Corp., Term Loan B, 2.18%, 12/29/14	1,032	970,366
The Goodyear Tire & Rubber Company, Term Loan (Second Lien), 4.75%, 4/30/19	1,800	1,742,634
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	945	940,275
		9,036,816
<b>Biotechnology 0.3%</b>		
Grifols, Inc., Term Loan B, 4.50%, 6/01/17	1,195	1,178,611
<b>Building Products 1.6%</b>		
Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	893	882,563
CPG International, Inc., Term Loan B, 6.00%, 2/18/17	1,185	1,140,562
Goodman Global, Inc.: Initial Term Loan (First Lien), 5.75%, 10/28/16	3,025	3,013,864
Term Loan (Second Lien), 9.00%, 10/30/17	764	770,127
Momentive Performance Materials, Inc. (Nautilus), Extended Term Loan, 3.89%, 5/05/15	EUR 1,056	1,199,091
		7,006,207
<b>Capital Markets 1.0%</b>		
HarbourVest Partners, Term Loan (First Lien), 6.25%, 12/16/16	USD 1,599	1,598,726
Nuveen Investments, Inc.: (First Lien), Term Loan, 5.97%, 5/13/17	418	411,113
Incremental Term Loan, 7.25%, 5/13/17	555	553,613
Term Loan, 5.97%, 5/12/17	1,682	1,658,022
		4,221,474
<b>Chemicals 4.4%</b>		
	2,247	2,130,261

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American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17				
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16			1,300	1,298,921
		<b>Par (000)</b>		<b>Value</b>
<b>Floating Rate Loan Interests (b)</b>				
<b>Chemicals (concluded)</b>				
Gentek, Inc., Term Loan B, 5.00% - 5.75%, 10/06/15	USD	1,305	\$	1,304,653
Ineos US Finance LLC, 6 year Term Loan, 6.50%, 5/04/18		6,105		5,979,603
MDI Holdings LLC, Tranche C Term Loan, 2.58%, 4/11/14	EUR	615		749,738
Nexeo Solutions LLC, Term Loan B, 5.00% - 5.75%, 9/08/17	USD	1,609		1,566,520
PolyOne Corp., Term Loan, 5.00%, 12/20/17		658		656,500
PQ Corp., Term Loan B, 3.99%, 7/30/14		3,091		2,964,417
Styron Sarl LLC, Term Loan B, 6.00% - 6.75%, 8/02/17		652		581,399
Tronox Worldwide LLC, Term Loan B, 4.25%, 2/08/18		762		748,805
Univar, Inc., Term Loan B, 5.00%, 6/30/17		1,250		1,214,688
				19,195,505
<b>Commercial Services &amp; Supplies 2.6%</b>				
ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19		1,343		1,341,571
Altegrity, Inc., Tranche D Term Loan, 7.75%, 2/20/15		2,546		2,525,016
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16		841		836,753
Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16		975		973,781
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17		2,382		2,376,045
Protection One Alarm Monitoring, Inc., Term Loan, 5.75%, 3/16/19		960		952,397
Synagro Technologies, Inc., Term Loan B, 2.24%, 4/02/14		871		760,277
Volume Services America, Inc., Term Loan B, 10.50% - 11.75%, 9/16/16		1,773		1,762,663
				11,528,503
<b>Communications Equipment 1.4%</b>				
Avaya, Inc.:				
Term Loan B1, 3.22%, 10/24/14		1,818		1,711,969
Term Loan B3, 4.97%, 10/26/17		329		290,048
CommScope, Inc., Term Loan B, 4.25%, 1/12/18		1,485		1,474,783
Telesat Canada, Term Loan A, 4.38%, 3/24/17	CAD	2,630		2,450,864
				5,927,664
<b>Construction &amp; Engineering 0.9%</b>				
BakerCorp. International, Inc., Term Loan B, 4.75%, 6/01/18	USD	1,192		1,177,757



## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Construction &amp; Engineering (concluded)</b>		
Safeway Services LLC, First Out		
Tranche Loan, 9.00%, 12/16/17	USD 2,750	\$ 2,750,000
		3,927,757
<b>Construction Materials 0.9%</b>		
HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17	3,980	3,995,920
<b>Consumer Finance 0.7%</b>		
Springleaf Finance Corp., Term Loan, 5.50%, 5/10/17	3,130	2,886,110
<b>Containers &amp; Packaging 0.4%</b>		
Sealed Air Corp., Term Loan B, 4.75%, 10/03/18	1,719	1,720,665
<b>Diversified Consumer Services 2.7%</b>		
Coinmach Service Corp., Term Loan, 3.24%, 11/20/14	4,501	4,185,676
Education Management LLC, Term Loan C3, 8.25%, 3/29/18	1,095	1,072,005
Laureate Education, Inc., Extended Term Loan, 5.25%, 8/15/18	3,798	3,638,556
ServiceMaster Co.: Delayed Draw Term Loan, 2.74%, 7/24/14	158	154,170
Term Loan, 2.74% - 2.99%, 7/24/14	1,591	1,548,193
Weight Watchers International, Inc., Term Loan F, 4.00%, 3/12/19	1,185	1,163,078
		11,761,678
<b>Diversified Financial Services 1.0%</b>		
Reynolds Group Holdings, Inc.: Tranche B Term Loan, 6.50%, 2/09/18	945	945,442
Tranche C Term Loan, 6.50%, 8/09/18	3,585	3,594,307
		4,539,749
<b>Diversified Telecommunication Services 2.4%</b>		
Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17	2,025	1,997,156
Level 3 Financing, Inc.: Term Loan B2, 5.75%, 9/03/18	5,500	5,447,970
Term Loan B3, 5.75%, 8/31/18	1,500	1,485,810
Tranche A Term Loan, 2.49% - 2.72%, 3/13/14	200	194,584
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	1,493	1,405,515
		10,531,035

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Floating Rate Loan Interests (b)		Par (000)	Value
<b>Electronic Equipment, Instruments &amp; Components 0.5%</b>			
CDW LLC, Extended Term Loan, 4.00%, 7/14/17	USD	831	\$ 794,290
Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18		1,476	1,451,590
			2,245,880
<b>Energy Equipment &amp; Services 2.1%</b>			
Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16		1,635	1,666,467
Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16		2,992	3,082,981
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18		2,985	2,949,300
Tervita Corp., Term Loan B, 3.24%, 11/14/14		1,359	1,302,887
			9,001,635
<b>Food &amp; Staples Retailing 1.2%</b>			
AB Acquisitions UK Topco 2 Ltd., Facility B1, 3.57%, 7/09/15	GBP	3,000	4,268,739
US Foods, Inc. (FKA US Foodservice, Inc.), Term Loan B, 2.74%, 7/03/14	USD	1,145	1,105,218
			5,373,957
<b>Food Products 1.9%</b>			
Advance Pierre Foods: Term Loan (First Lien), 7.00%, 9/30/16		2,556	2,559,057
Term Loan (Second Lien), 11.25%, 9/29/17		1,800	1,809,558
Del Monte Corp., Term Loan, 4.50%, 3/08/18		1,709	1,665,744
Pinnacle Foods Finance LLC, Term Loan E, 4.75%, 10/17/18		1,380	1,368,137
Solvest Ltd. (Dole): Tranche B-2 Term Loan, 5.00% - 6.00%, 7/06/18		401	399,545
Tranche C-2 Term Loan, 5.00% - 6.00%, 7/06/18		718	714,976
			8,517,017
<b>Health Care Equipment &amp; Supplies 1.8%</b>			
Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19		2,150	2,111,214
DJO Finance LLC: Term Loan B2, 5.24%, 11/01/16		761	753,480
Term Loan B3, 6.25%, 9/15/17		2,340	2,311,733
Hupah Finance Inc., Term Loan B, 6.25%, 1/21/19		1,265	1,268,959

## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Health Care Equipment &amp; Supplies (concluded)</b>		
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	USD 1,512	\$ 1,509,572
		7,954,958
<b>Health Care Providers &amp; Services 2.9%</b>		
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	1,766	1,751,886
DaVita, Inc., Term Loan B, 4.50%, 10/20/16	1,975	1,962,222
Emergency Medical Services, Term Loan, 5.25% - 6.00%, 5/25/18	1,566	1,545,141
Harden Healthcare LLC: Term Loan A, 8.50%, 3/02/15	609	596,433
Tranche A Additional Term Loan, 7.75%, 3/02/15	2,025	1,984,706
HCA, Inc., 2.49%, 11/18/13	245	242,653
inVentiv Health, Inc.: Combined Term Loan, 6.50%, 8/04/16	492	460,888
Incremental Term Loan B-3, 6.75%, 5/15/18	1,015	963,261
Medpace, Inc., Term Loan, 6.50% - 7.25%, 6/16/17	1,985	1,905,600
Wolverine Healthcare, Term Loan B, 6.75%, 5/12/17	1,060	1,042,775
		12,455,565
<b>Health Care Technology 1.0%</b>		
IMS Health, Inc., Term Loan B, 4.50%, 8/25/17	1,974	1,956,792
Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18	1,307	1,314,082
MedAssets, Inc., Term Loan, 5.25%, 11/16/16	937	932,881
		4,203,755
<b>Hotels, Restaurants &amp; Leisure 3.6%</b>		
Alpha D2 Ltd.: Term Loan B, 5.75%, 4/28/17	690	688,130
Term Loan B, 1.00%, 6/08/18	430	425,519
Caesars Entertainment Operating Co., Inc.: Extended Term Loan B6, 5.49%, 1/26/18	330	290,453
Incremental Term Loan B4, 9.50%, 10/31/16	1,006	1,012,708
Term Loan B1, 3.24%, 1/28/15	1,934	1,764,932
Term Loan B3, 3.24% - 3.47%, 1/28/15	4,288	3,912,352
Dunkin' Brands, Inc., Term Loan B, 4.00%, 11/23/17	2,526	2,495,082
	243	225,892

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Golden Living, Term Loan, 5.00%, 5/04/18		
OSI Restaurant Partners LLC: Revolver, 2.54% - 2.72%, 6/14/13	15	14,906

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Hotels, Restaurants &amp; Leisure (concluded)</b>		
OSI Restaurant Partners LLC (concluded):		
Term Loan B, 2.56%, 6/14/14	USD 154	\$ 150,720
Sabre, Inc., Non Extended Initial Term Loan, 2.24%, 9/30/14	585	555,873
SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17	1,472	1,449,518
Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 4.25%, 12/20/18	790	781,539
Wendy's International, Inc.: Delayed Draw Term Loan, 0.50%, 5/15/19	861	849,651
Term Loan B, 4.75%, 5/15/19	1,079	1,064,721
		15,681,996
<b>Household Products 0.3%</b>		
Prestige Brands, Inc., Term Loan, 5.25% - 6.25%, 1/31/19	1,381	1,380,943
<b>Independent Power Producers &amp; Energy Traders 0.4%</b>		
AES Corp., Term Loan, 4.25%, 6/01/18	1,782	1,760,402
<b>Industrial Conglomerates 0.8%</b>		
Schrader International, Term Loan B, 1.00%, 4/27/18	150	150,377
Sequa Corp.: Incremental Term Loan, 6.25%, 12/03/14	554	552,228
Term Loan, 3.72%, 12/03/14	2,643	2,591,555
		3,294,160
<b>Insurance 0.2%</b>		
Asurion LLC, Term Loan (First Lien), 5.50%, 5/24/18	1,067	1,048,795
<b>Internet Software &amp; Services 0.3%</b>		
Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17	1,157	1,144,363
<b>IT Services 3.9%</b>		
Ceridian Corp., Term Loan, 3.24%, 11/10/14	2,292	2,166,089
First Data Corp.: Extended Term Loan B, 4.24%, 3/23/18	7,253	6,552,377
Term Loan B-1, 2.99%, 9/24/14	1,307	1,235,539
Term Loan B-3, 2.99%, 9/24/14	210	198,586
InfoGroup Inc., Term Loan B, 5.75%, 5/25/18	853	759,298
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	1,028	1,025,430
NeuStar, Inc., Term Loan B, 5.00%, 11/08/18	1,448	1,451,344





## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>IT Services (concluded)</b>		
TransUnion LLC, Term Loan B, 5.50%, 2/12/18	USD 3,693	\$ 3,708,397
		17,097,060
<b>Leisure Equipment &amp; Products 0.9%</b>		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	1,380	1,379,631
EB Sports Corp., Term Loan, 11.50%, 12/31/15	1,838	1,801,072
Freedom Group, Inc., Term Loan, 5.50%, 4/12/19	570	567,863
		3,748,566
<b>Machinery 1.8%</b>		
Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/10/17	855	846,877
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	648	644,485
Terex Corp.:		
Term Loan, 6.00%, 4/28/17	EUR 219	267,287
Term Loan B, 5.50%, 4/28/17	USD 2,037	2,035,370
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	2,242	2,229,681
Wabash National Corp., Term Loan B, 6.00%, 5/02/19	1,945	1,925,550
		7,949,250
<b>Media 9.9%</b>		
Acosta, Inc., Term Loan, 4.75%, 3/01/18	582	573,794
Affinion Group, Inc., Term Loan B, 5.00%, 7/16/15	350	323,553
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	1,412	1,398,274
Capsugel Healthcare Ltd., Term Loan, 5.25%, 8/01/18	1,462	1,460,484
Cengage Learning Acquisitions, Inc.:		
Term Loan, 2.49%, 7/03/14	82	74,502
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,250	1,196,172
Charter Communications Operating LLC:		
Term Loan C, 3.50%, 9/06/16	2,055	2,023,366
Term Loan D, 4.00%, 5/15/19	800	788,658
Clear Channel Communications, Inc.:		
Term Loan B, 3.89%, 1/28/16	3,765	2,928,397
Term Loan C, 3.89%, 1/28/16	556	429,684
Cumulus Media, Inc., Term Loan, 5.75%, 9/17/18	1,495	1,483,792
EMI Music Publishing Ltd., Term Loan B, 1.00%, 11/14/17	895	889,406
Gray Television, Inc., Term Loan B, 3.74%, 12/31/14	1,215	1,202,744
	2,319	1,285,554



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Term Loan B, 2.40%, 7/05/16

363

421,960

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2012

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## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Multiline Retail (concluded)</b>		
Hema Holding BV (concluded):		
Term Loan C, 3.15%, 7/06/15	EUR 363	\$ 419,719
		5,545,548
<b>Oil, Gas &amp; Consumable Fuels 1.7%</b>		
Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	USD 3,245	3,184,968
EP Energy LLC, Term Loan B, 6.50%, 4/24/18	820	820,517
Gibson Energy, Term Loan B, 4.75%, 6/15/18	1,489	1,479,445
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	2,099	2,099,002
		7,583,932
<b>Paper &amp; Forest Products 0.8%</b>		
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	1,050	1,058,316
Verso Paper Finance Holdings LLC, Term Loan, 6.72% - 7.47%, 2/01/13	4,737	2,368,338
		3,426,654
<b>Pharmaceuticals 1.9%</b>		
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	1,778	1,718,842
Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	2,495	2,495,837
Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18	774	762,298
RPI Finance Trust: Incremental Tranche 2 Term Loan, 4.00%, 11/09/18	325	322,156
Term Loan Tranche 2, 4.00%, 5/09/18	570	565,982
Valeant Pharmaceuticals International, Add-On Term Loan B, 3.75%, 2/13/19	1,070	1,045,657
Warner Chilcott Corp.: Term Loan B-1, 4.25%, 3/15/18	860	853,299
Term Loan B-2, 4.25%, 3/15/18	430	426,650
		8,190,721
<b>Professional Services 0.7%</b>		
Booz Allen Hamilton, Inc., Tranche B Term Loan, 3.75%, 8/03/17	244	242,928
Emdeon, Inc., Term Loan B, 6.75%, 11/02/18	2,590	2,583,820
ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19	450	444,938

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3,271,686

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Real Estate Investment Trusts (REITs) 1.0%</b>		
iStar Financial, Inc.:		
Term Loan A1, 5.00%, 6/28/13	USD 4,087	\$ 4,068,557
Term Loan A2, 7.00%, 6/30/14	140	139,650
		4,208,207
<b>Real Estate Management &amp; Development 0.9%</b>		
Realogy Corp.:		
Extended Synthetic Letter of Credit Loan, 4.49%, 10/10/16	384	350,351
Extended Term Loan, 4.49%, 10/10/16	3,700	3,372,711
Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	300	295,500
		4,018,562
<b>Road &amp; Rail 0.7%</b>		
Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18		
	692	690,345
RailAmerica, Inc., Term Loan B, 4.00%, 3/01/19	1,575	1,567,786
Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18	825	812,625
		3,070,756
<b>Semiconductors &amp; Semiconductor Equipment 0.5%</b>		
Freescale Semiconductor, Inc., Extended Term Loan B, 4.49%, 12/01/16		
	1,503	1,408,520
NXP B.V., Term Loan A-2, 5.50%, 3/03/17	955	939,625
		2,348,145
<b>Software 1.7%</b>		
Blackboard, Inc., Term Loan B, 7.50%, 10/04/18		
	599	570,448
Lawson Software, Inc., Term Loan B, 6.25%, 4/05/18	3,630	3,622,885
Magic Newco LLC, Second Lien Term Loan, 1.00%, 12/06/19	395	381,503
Sophia, LP, Term Loan B, 6.25%, 7/19/18	1,200	1,202,148
SS&C Technologies:		
Term Loan B-1, 5.00%, 5/11/19	1,609	1,602,562
Term Loan B-2, 5.00%, 5/13/19	166	165,782
		7,545,328
<b>Specialty Retail 3.4%</b>		
Academy Ltd., Term Loan, 6.00%, 8/03/18		
	1,895	1,895,250



## Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Specialty Retail (concluded)</b>		
Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17	USD 825	\$ 822,253
Burlington Coat Factory Warehouse Corp., Term Loan B, 5.50%, 2/28/17	1,039	1,029,296
Claire's Stores, Inc., Term Loan B, 3.00% - 3.22%, 5/29/14	989	919,270
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	1,335	1,319,033
Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/16/18	776	766,797
Michaels Stores, Inc.:		
Extended Term Loan B3, 5.00%, 7/29/16	980	975,727
Term Loan B2, 5.00%, 7/29/16	862	858,313
Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17	2,555	2,520,522
Things Remembered, Inc., New Term Loan B, 8.00%, 5/30/18	1,100	1,078,000
Toys 'R Us Delaware, Inc.:		
Term Loan, 6.00%, 9/01/16	591	577,110
Term Loan B2, 5.25%, 5/25/18	690	658,600
Term Loan B3, 5.25%, 5/25/18	365	345,838
The Yankee Candle Co., Inc., New Term Loan B, 5.25%, 4/02/19	1,065	1,056,746
		14,822,755
<b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>		
Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	1,435	1,394,346
<b>Wireless Telecommunication Services 1.9%</b>		
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	753	741,816
MetroPCS Wireless, Inc., Term Loan B-3, 4.00%, 3/16/18	1,258	1,222,694
Vodafone Americas Finance 2, Inc., Term Loan, 6.88%, 8/11/15 (h)	6,091	6,182,772
		8,147,282
<b>Total Floating Rate Loan Interests 75.3%</b>		<b>328,749,475</b>

	Shares	Value
<b>Other Interests (j)</b>		
<b>Auto Components 0.0%</b>		
Intermet Liquidating Trust, Class A (c)	833	1

	Value
<b>Other Interests (j)</b>	



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	Beneficial Interest (000)	
<b>Chemicals 0.0%</b>		
Wellman Holdings, Inc., Litigation Trust Certificate (c)	USD 10,000	\$ 100
<b>Diversified Financial Services 0.3%</b>		
JG Wentworth LLC Preferred Equity Interests (c)	1	1,293,079
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets, Inc. (c)	1,440	14
<b>Household Durables 0.5%</b>		
Stanley Martin, Class B Membership Units	2	2,304,000
<b>Media 0.0%</b>		
Adelphia Escrow (c)	7,500	75
Adelphia Preferred Escrow (c)	5	
Adelphia Recovery Trust (c)	9,406	941
Adelphia Recovery Trust, Series ACC-6B INT (c)	500	2,500
		3,516
<b>Specialty Retail 0.0%</b>		
Movie Gallery, Inc. Default Escrow (c)	21,700	217
<b>Total Other Interests 0.8%</b>		3,600,927
<b>Warrants (k)</b>		
<b>Health Care Providers &amp; Services 0.0%</b>		
HealthSouth Corp. (Expires 1/16/14)	126,761	2
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	1,216	
<b>Media 0.0%</b>		
Charter Communications, Inc. (Issued/exercisable 11/30/09, 1 Share for 1 warrant, Expires 11/30/14, Strike Price \$51.28)	12,661	215,237
<b>Software 0.0%</b>		
Bankruptcy Management Solutions, Inc. (Expires 9/29/17)	1,247	

BLACKROCK DEBT STRATEGIES FUND, INC.

MAY 31, 2012

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## Consolidated Schedule of Investments (continued)

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

Warrants (k)	Shares	Value
<b>Software (concluded)</b>		
HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 3/09/17, Strike Price \$12.26)	24,924	\$
<b>Total Warrants 0.0%</b>		215,239
<b>Total Long-Term Investments (Cost \$677,237,328) 139.4%</b>		608,884,822
	<b>Beneficial Interest (000)</b>	
<b>Short-Term Securities</b>		
<b>Money Market Funds 0.2%</b>		
Bank of New York Cash Reserves, 0.01% (1)	USD 1,047	1,047,400
<b>Total Short-Term Securities (Cost \$1,047,400) 0.2%</b>		1,047,400
<b>Total Investments (Cost - \$678,284,728*) 139.6%</b>		609,932,222
<b>Liabilities in Excess of Other Assets (39.6)%</b>		(173,067,396)
<b>Net Assets 100.0%</b>		\$ 436,864,826

\* As of May 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

Tax cost	\$ 673,720,195
Gross unrealized appreciation	\$ 16,797,158
Gross unrealized depreciation	(80,585,131)
Net unrealized depreciation	\$ (63,787,973)

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (e) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

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(i) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation (Depreciation)
Goldman Sachs & Co.	\$ 489,850	\$ 4,850
JPMorgan Chase & Co.	\$ 374,300	\$ (3,211)

(j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(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, if any.

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

**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
DIP	Debtor-In-Possession
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EUR	Euro
FKA	Formerly Known As
GBP	British Pound
USD	US Dollar

Foreign currency exchange contracts as of May 31, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 128,243	CAD 126,000	Citibank NA	7/18/12	\$ 6,376
USD 2,203,802	CAD 2,170,000	UBS AG	7/18/12	104,976
USD 5,182,312	GBP 3,247,500	Goldman Sachs & Co.	7/18/12	178,268
EUR 714,000	USD 932,579	UBS AG	7/25/12	(49,436)
USD 17,374,500	EUR 13,162,500	Citibank NA	7/25/12	1,093,863
USD 133,134	EUR 103,000	UBS AG	7/25/12	5,734
USD 261,483	EUR 202,000	UBS AG	7/25/12	11,631
<b>Total</b>				\$ 1,351,412

Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

Credit default swaps on traded indexes - sold protection outstanding as of May 31, 2012 were as follows:

Index	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Depreciation
Dow Jones CDX North America High Yield Index Series 18	5.00%	Deutsche Bank AG	6/20/17	B+	USD 4,500	\$ (170,441)
Dow Jones CDX North America High Yield Index Series 18	5.00%	JPMorgan Chase & Co.	6/20/17	B+	USD 8,050	(398,381)
<b>Total</b>						<b>\$ (568,822)</b>

<sup>1</sup> Using Standard & Poor's ratings.

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

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

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

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

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

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

The following tables summarize the inputs used as of May 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$ 641,971	\$ 7,906,598	\$ 8,548,569

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Common Stocks	\$	1,673,469		230,907		5,516,763		7,421,139
Corporate Bonds				250,726,443		9,623,030		260,349,473
Floating Rate Loan interests				305,941,763		22,807,712		328,749,475
Other Interests		3,441				3,597,486		3,600,927
Warrants		215,237				2		215,239
Short-Term Securities		1,047,400						1,047,400
<b>Liabilities:</b>								
Unfunded Loan Commitments				(204,220)				(204,220)
<b>Total</b>	\$	2,939,547	\$	557,336,864	\$	49,451,591	\$	609,728,002

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
<b>Assets:</b>				
Foreign currency exchange contracts		\$ 1,400,848		\$ 1,400,848
<b>Liabilities:</b>				
Credit contracts		(568,822)		(568,822)
Foreign currency exchange contracts		(49,436)		(49,436)
<b>Total</b>		\$ 782,590		\$ 782,590

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

## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial reporting purposes. At May 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Foreign currency	\$ 1,278,845			\$ 1,278,845
Cash	71,094			71,094
<b>Liabilities:</b>				
Loan Payable		\$ (163,000,000)		(163,000,000)
<b>Total</b>	\$ 1,349,939	\$ (163,000,000)		\$ (161,650,061)

There were no transfers between Level 1 and Level 2 during the period ended May 31, 2012.

The following table summarizes the valuation techniques used and unobservable inputs developed by the BlackRock Global Valuation Methodologies Committee to determine the fair value of certain of the Fund's Level 3 investments as of May 31, 2012:

	Value	Valuation Techniques	Unobservable Inputs <sup>1</sup>	Range of Unobservable Inputs	Weighted Average of Unobservable Inputs <sup>2</sup>
<b>Assets:</b>					
Common Stocks	\$ 4,837,350	Market Comparable Companies	EBITDA Multiple	5.0x - 6.3x	6.3x
Other Interests	2,304,000	Market Comparable Companies	Tangible Book Value	1.11x	1.11x
Corporate Bonds	9,068,837	Market Comparable Companies	EBITDA Multiple	5.0x	5.0x
Floating Rate					
Loan Interests	2,368,338	Estimated Final Distribution	Probable Outcome	50%	50%
<b>Total<sup>3</sup></b>	\$ 18,578,525				

<sup>1</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
EBITDA Multiple	Increase	Decrease
Tangible Book Value	Increase	Decrease
Probable Outcome	Increase	Decrease

<sup>2</sup> Unobservable inputs are weighted based on the value of the investments included in the range.

<sup>3</sup> Does not include Level 3 investments with values derived utilizing prices from prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in the unobservable inputs could result in a significantly lower or higher value in such Level 3 investments.

## Consolidated Schedule of Investments (concluded)

## BlackRock Debt Strategies Fund, Inc. (DSU)

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

	Asset-Backed Securities	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	Total
<b>Assets:</b>							
Opening balance, as of February 29, 2012	\$ 4,989,143	\$ 5,458,062	\$ 9,604,936	\$ 28,186,100	\$ 3,410,858	2	\$ 51,649,101
Transfers into Level 3 <sup>1</sup>				447,763			447,763
Transfers out of Level 3 <sup>1</sup>		(38)		(7,387,501)			(7,387,539)
Accrued discounts/premiums	19,415		99,800	55,688			174,903
Net realized gain (loss)	(45,069)			25,671			(19,398)
Net change in unrealized appreciation/depreciation <sup>2</sup>	181,702	(351,386)	(161,874)	(68,835)	176,628		(223,765)
Purchases	4,774,632	410,125	80,168	3,201,414	10,000		8,476,339
Sales	(2,013,225)			(1,652,588)			(3,665,813)
<b>Closing balance, as of May 31, 2012</b>	<b>\$ 7,906,598</b>	<b>\$ 5,516,763</b>	<b>\$ 9,623,030</b>	<b>\$ 22,807,712</b>	<b>\$ 3,597,486</b>	<b>2</b>	<b>\$ 49,451,591</b>

<sup>1</sup> Transfers into and transfers out of Level 3 represent the beginning of the reporting period value. As of February 29, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of May 31, 2012, the Fund used observable inputs in determining the value on the same investments. As a result, investments with a beginning of period value of \$7,387,539 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup> The change in unrealized appreciation/depreciation on securities still held as of May 31, 2012 was \$(344,319). A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets.

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### Item 2 – Controls and Procedures

- 2(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

### Item 3 – Exhibits

Certifications – Attached hereto

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

BlackRock Debt Strategies Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: July 25, 2012

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/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Debt Strategies Fund, Inc.

Date: July 25, 2012

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

Date: July 25, 2012



