

BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC
Form N-CSR
November 05, 2009

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

FORM N-CSR

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

Investment Company Act file number 811-21413

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., 40 East 52nd Street, New York, NY 10022.

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

Date of fiscal year end: 08/31/2009

Date of reporting period: 08/31/2009

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

AUGUST 31, 2009

[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 12 months reveal two distinct economic and market backdrops — one of extreme investor pessimism and decided weakness, and another of

increased optimism amid growing signs of recovery. The start of the period was characterized by the former. September through December 2008 saw the

surge of the economic storm that sparked the worst recession in decades. The months featured, among others, the infamous collapse of Lehman Brothers,

uniformly poor economic data and plummeting investor confidence that resulted in massive government intervention (on a global scale) in the financial sys-

tem and the economy. The tide turned dramatically in March 2009, however, on the back of new US government initiatives, as well as better-than-expected

economic data and upside surprises in corporate earnings.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March before embarking on a rally that resulted

in strong year-to-date returns for all major indexes. June saw a brief correction, though it appeared to be induced more by profit-taking and portfolio rebal-

ancing than by a change in the economic outlook. The experience in international markets was similar to that in the United States. Notably, emerging mar-

kets staged a strong comeback in 2009 as these areas of the globe have generally seen a stronger acceleration in economic activity.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, but more recently, ongoing concerns

about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields higher. At the same time, relatively attractive yields and dis-

tressed valuations among non-Treasury assets, coupled with a more favorable macro environment, drew in sidelined investors and triggered a sharp recovery

in these sectors. This was particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. The

municipal bond market enjoyed strong returns in 2009 as well, buoyed by a combination of attractive valuations, robust retail investor demand and a slow-

down in forced selling. Moreover, the Build America Bond program has alleviated supply pressures, creating a more favorable technical environment. In par-

ticular, August marked the municipal market's best monthly performance in more than 20 years, as the asset class has regained

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year-to-date all that was

lost during 2008.

Overall, results for the major benchmark indexes were mixed. Higher-risk assets (i.e., equities and high yield bonds) and Treasuries reflected a bifurcated

market, while less-risky fixed income investments posted stable, modest returns.

Total Returns as of August 31, 2009	6-month	12-month
US equities (S&P 500 Index)	40.52%	(18.25)%
Small cap US equities (Russell 2000 Index)	48.25	(21.29)
International equities (MSCI Europe, Australasia, Far East Index)	53.47	(14.95)
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(1.61)	6.77
Taxable fixed income (Barclays Capital US Aggregate Bond Index)		5.95 7.94
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)		5.61 5.67
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	36.31	7.00

* Formerly a Merrill Lynch Index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market tur-

bulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. We invite you to visit www.blackrock.com/funds for our

most current views on the economy and financial markets. As always, we thank you for entrusting BlackRock with your investments, and we look forward to

continuing to serve you in the months and years ahead.

Announcement to Shareholders

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays' Board of Directors had

accepted BlackRock's offer to acquire Barclays Global Investors (BGI). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of

BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of

BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is

scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of August 31, 2009 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 12 months ended August 31, 2009, the Fund returned (2.65)% based on market price and (2.16)% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Fund relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Fund maintained a higher leverage balance. The Fund's conservative positioning was a detractor during the last six months given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which has benefited performance in the rising market of 2009.

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 August 31, 2009 (\$11.03) ¹	6.53%
Current Monthly Distribution per Share ²	\$0.06
Current Annualized Distribution per Share ²	\$0.72
Leverage as of August 31, 2009 ³	19%

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 rate 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.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$11.03	\$12.66	(12.88)%	\$13.29	\$6.53
Net Asset Value	\$12.53	\$14.31	(12.44)%	\$14.35	\$8.36

The following unaudited charts show the portfolio composition of the Fund's long-term investments:

Portfolio Composition

	8/31/09	8/31/08
Floating Rate Loan Interests	94%	99%
Corporate Bonds	6	1

Fund Summary as of August 31, 2009 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 12 months ended August 31, 2009, the Fund returned (16.27)% based on market price and (23.82)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. 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. Unlike other funds in the Lipper category, the Fund invests a significant amount of its portfolio in fixed-rate, high yield corporate bonds, and a portion in high yield floating rate loan interests (FRNs). During the 12 months, fixed-rate, high yield bonds outperformed leveraged loans and this contributed to performance. Conversely, the Fund's credit quality has generally been skewed towards the lower credit quality tiers, which had a negative impact on performance during the market's fall in 2008. Though it has benefited the Fund in 2009 as markets rallied, on balance, the positioning detracted relative to the Lipper category. The Fund's allocation to high yield FRNs also hampered results as these issues underperformed. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which further benefited performance in the rising market of 2009.

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Fund Information

Symbol on NYSE	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2009 (\$8.80) ¹	11.93%
Current Monthly Distribution per Share ²	\$0.0875
Current Annualized Distribution per Share ²	\$1.0500
Leverage as of August 31, 2009 ³	14%

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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 A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.0785. 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 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 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:

	8/31/09	8/31/08	Change	High	Low
Market Price	\$8.80	\$12.77	(31.09)%	\$13.04	\$4.70
Net Asset Value	\$8.74	\$13.94	(37.30)%	\$13.94	\$5.35

The following unaudited 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	Credit Quality Allocations ⁴			
	8/31/09	8/31/08	8/31/09	8/31/08
Corporate Bonds	49%	50%	AAA/Aaa	3%
Floating Rate Loan Interests	49	47	BBB/Baa	1
Common Stocks	2	3	BB/Ba	17%
			B/B	37
			CCC/Caa	34
			CC/Ca	4
			D	3
			Not Rated	5

⁴ Using the higher of Standard & Poor's (S&P) or Moody's Investors

Service (Moody's) ratings.

Fund Summary as of August 31, 2009 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 12 months ended August 31, 2009, the Fund returned (3.88)% based on market price and (8.88)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group includes unleveraged continuously offered closed-end funds. 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 maintained relatively defensive sector positioning and low levels of leverage (less than 20%). On balance, that positioning benefited the Fund versus its more highly levered Lipper competitors. The Fund also had about 20% of its portfolio in high yield corporate bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which further benefited performance in the rising market of 2009.

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Fund Information

Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2009 (\$12.26) ¹	8.79%
Current Monthly Distribution per Share ²	\$0.089835
Current Annualized Distribution per Share ²	\$1.078020
Leverage as of August 31, 2009 ³	14%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

² Past performance does not guarantee future results.

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² A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.081500. 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

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:

	8/31/09	8/31/08	Change	High	Low
Market Price	\$12.26	\$14.49	(15.39)%	\$14.68	\$7.79
Net Asset Value	\$12.93	\$16.12	(19.79)%	\$16.12	\$8.96

The following unaudited 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	Credit Quality Allocations ⁴				
	8/31/09	8/31/08		8/31/09	8/31/08
Floating Rate Loan Interests	75%	73%	AA/Aa		5%
Corporate Bonds	24	26	BBB/Baa	12%	11
Common Stocks	1	1	BB/Ba	15	11
			B/B	46	59
			CCC/Caa	21	8
			D/D	4	
			Not Rated	2	6

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

Fund Summary as of August 31, 2009 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 12 months ended August 31, 2009, the Fund returned 6.40% based on market price and (1.57)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% 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 securities. The Fund tends to invest 25% to 30% of its portfolio in investment-grade bonds, which helped relative performance as these securities outperformed high yield securities. Exposure to mortgage-backed securities and an overall conservative positioning in high yield securities also aided results. At the same time, the Fund typically invests about 30% to 40% of its portfolio in bank loans; this detracted modestly from relative performance as loans underperformed high yield securities during the period. The Fund's allocation to investment-grade credit, while performing strongly, was a detractor in the last six months of the period when returns trailed that of high yield securities. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 18%, which further benefited performance in the rising market of 2009.

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Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Yield on Closing Market Price as of August 31, 2009 (\$14.09) ¹	7.03%
Current Monthly Distribution per Share ²	\$0.0825
Current Annualized Distribution per Share ²	\$0.9900

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 September 1, 2009. The Monthly Distribution per Share was decreased to \$0.0700.

The Yield on

Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate.

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The new distribution rate is not constant and is subject to further change in the future.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$14.09	\$14.57	(3.29)%	\$14.83	\$ 8.83
Net Asset Value	\$14.95	\$16.71	(10.53)%	\$16.81	\$11.86

The following unaudited 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	Credit Quality Allocations ³				
	8/31/09	8/31/08		8/31/09	8/31/08
Floating Rate Loan Interests	45%	46%	AAA/Aaa ⁴	53%	47%
Corporate Bonds	24	32	BBB/Baa	6	8
U.S. Government Sponsored Agency Obligations	26	16	BB/Ba	11	10
			B	10	25
U.S. Treasury Obligations	1	4	CCC/Caa	16	7
Foreign Agency Obligations	2	2	C	1	
Asset-Backed Securities	2		D	1	
			Not Rated	2	3

³ Using the higher of S&P's or Moody's ratings.

⁴ Includes US Government Sponsored Agency securities and US Treasury Obligations, which are deemed AAA/Aaa by the investment advisor.

Fund Summary as of August 31, 2009 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 12 months ended August 31, 2009, the Fund returned (4.69)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund maintained relatively defensive sector positioning and no leverage, which benefited performance over the 12 months versus its Lipper competitors, many of which employ leverage. The Fund also had about 9% of its portfolio in high yield bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 8%, which further benefited performance in the rising market of 2009.

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Fund Information¹

Initial Offering Date	November 3, 1989
31, 2009 (\$7.16) ²	Yield based on Net Asset Value as of August 3.60%
Distribution per Share ³	Current Monthly \$0.021903
Distribution per Share ³	Current Annualized \$0.257890

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:

8/31/09	8/31/08	Change	High	Low
---------	---------	--------	------	-----

Net Asset Value \$7.16 \$7.98 (10.28)% \$7.98 \$5.54

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
	March 1, 2009	August 31, 2009		March 1, 2009	August 31, 2009	
BlackRock Senior Floating Rate, Inc.	\$1,000	\$1,232.80	\$8.72	\$1,000	\$1,017.39	\$7.88

⁴ Expenses are equal to the annualized expense ratio of 1.55%, multiplied by the average account value over the period, multiplied by 184/365 (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 August 31, 2009 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 12 months ended August 31, 2009, the Fund returned (4.70)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund maintained relatively defensive sector positioning and no leverage, which benefited performance over the 12 months versus its Lipper competitors, many of which employ leverage. The Fund also had about 9% of its portfolio in high yield bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 8%, which further benefited performance in the rising market of 2009.

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Fund Information¹

Initial Offering Date		March 26, 1999
31, 2009 (\$7.76) ²	Yield based on Net Asset Value as of August	3.44%
Distribution per Share ³	Current Monthly	\$0.022653
Distribution per Share ³	Current Annualized	\$0.266721

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:

8/31/09	8/31/08	Change	High	Low
---------	---------	--------	------	-----

Net Asset Value \$7.76 \$8.67 (10.50)% \$8.67 \$6.02

Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical ⁵		
	Beginning	Ending	Expenses Paid	Beginning	Ending	Expenses Paid
	Account Value	Account Value		Account Value	Account Value	
	March 1, 2009	August 31, 2009	During the Period ⁴	March 1, 2009	August 31, 2009	During the Period ⁴
BlackRock Senior Floating Rate II, Inc.	\$1,000	\$1,233.70	\$9.46	\$1,000	\$1,016.74	\$8.54

⁴ Expenses are equal to the annualized expense ratio of 1.68%, multiplied by the average account value over the period, multiplied by 184/365 (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.

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 Fund 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 on the Shares 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 Fund's 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 Fund's borrowings do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings.

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 each Fund's 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, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause the Funds to incur losses. The use of leverage may limit a 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 the shareholders of each Fund and may reduce income.

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 August 31, 2009, BlackRock Limited Duration Income Trust had no outstanding leverage and the other Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
BHL	19%
DVF	14%
FRA	14%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including swap agreements, 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 and/or interest 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 and illiquidity of the derivative instru-

ment. 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 it 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 March 1, 2009 and held through August 31, 2009) 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 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 August 31, 2009

Common Stocks		Shares	Value
Capital Markets 0.4%			
E*Trade Financial Corp. (a)		273,000 \$	480,480
Total Common Stocks 0.4%			480,480
		Par	
		(000)	
Corporate Bonds			
Chemicals 0.2%			
Nalco Co., 8.25%, 5/15/17 (b)	USD	250	261,250
Commercial Services & Supplies 0.4%			
Clean Harbors, Inc., 7.63%, 8/15/16 (b)		400	401,000
Containers & Packaging 0.5%			
Crown Americas LLC, 7.63%, 5/15/17 (b)		280	277,900
Owens-Brockway Glass Container, Inc., 7.38%, 5/15/16		280	278,600
			556,500
Diversified Financial Services 0.2%			
FCE Bank Plc:			
7.13%, 1/16/12	EUR	100	129,742
7.13%, 1/15/13		50	62,720
			192,462
Diversified Telecommunication Services 0.8%			
PAETEC Holding Corp., 8.88%, 6/30/17 (b)	USD	250	238,125
Qwest Corp., 3.88%, 6/15/13 (c)		750	693,750
			931,875
Food Products 0.4%			
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		440	448,800
Hotels, Restaurants & Leisure 0.2%			
MGM Mirage, 11.13%, 11/15/17 (b)		240	259,800
IT Services 0.3%			
SunGard Data Systems, Inc., 4.88%, 1/15/14		383	344,700
Independent Power Producers & Energy Traders 1.0%			
Calpine Construction Finance Co., LP, 8.00%, 6/01/16 (b)		1,165	1,159,175
Machinery 0.2%			
CPM Holdings, Inc., 10.63%, 9/01/14 (b)		200	202,000
Media 1.2%			
Cablevision Systems Corp., Series B, 8.00%, 4/15/12		710	725,975
DIRECTV Holdings LLC, 8.38%, 3/15/13		650	666,250
			1,392,225
Paper & Forest Products 0.2%			
Verso Paper Holdings LLC, 11.50%, 7/01/14 (b)		200	196,000
Textiles, Apparel & Luxury Goods 0.6%			

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Levi Strauss & Co., 8.63%, 4/01/13	EUR	450	616,094
Wireless Telecommunication Services 1.3%			
Cricket Communications, Inc., 7.75%, 5/15/16 (b)	USD	1,500	1,455,000
Total Corporate Bonds 7.5%			8,416,881

Floating Rate Loan Interests

Aerospace & Defense 1.0%

Avio SpA:

Facility B2, 2.39%, 12/15/14		468	393,380
Facility C2, 3.01%, 12/14/15		500	420,000

Hawker Beechcraft Acquisition Co., LLC:

LC Facility Deposit, 2.28%, 3/26/14		23	17,391
Term Loan, 2.26% 2.60%, 3/26/14		395	294,670
			1,125,441

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Auto Components 3.6%			
Allison Transmission, Inc., Term Loan, 3.03%, 8/07/14	USD	2,172 \$	1,854,027
Dana Holding Corp., Term Advance, 7.25%, 1/31/15		1,301	995,881
Delphi Corp. (a)(d):			
Initial Tranche Term Loan C, 9.50%, 12/31/09		908	499,164
Subsequent Tranche Term Loan C, 9.50%, 12/31/09		92	50,836
The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.02%, 4/30/14		750	691,875
			4,091,783
Automobiles 0.4%			
Ford Motor Co., Term Loan, 3.28% 3.51%, 12/15/13		498	431,615
Building Products 1.6%			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14		741	676,428
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.74%, 12/04/13	EUR	997	1,076,830
			1,753,258
Capital Markets 0.4%			
Nuveen Investments, Inc., Term Loan, 3.49% 3.50%, 11/13/14	USD	598	485,499
Chemicals 7.6%			
Ashland, Inc., Term B Borrowing, 7.65%, 5/13/14		800	813,373
Brenntag Holding GmbH & Co. KG, Facility B2, 2.27%,			

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1/20/14	978	929,090
Cognis GmbH, Facility C, 2.62%, 9/15/13	1,000	847,500
Huish Detergents Inc., Tranche B Term Loan, 2.02%, 4/26/14	987	941,326
Matrix Acquisition Corp. (fka MacDermid, Inc.), Tranche B Term Loan, 2.26%, 4/12/14	1,557	1,292,256
Nalco Co., Term Loan, 6.50%, 5/06/16	1,225	1,241,844
PQ Corp. (fka Niagara Acquisition, Inc.): Loan (Second Lien), 6.77%, 7/30/15	1,000	550,000
Original Term Loan (First Lien), 3.52% 3.75%, 7/31/14	1,239	1,021,448
Solutia Inc., Loan, 7.25%, 2/28/14	987	977,389
		8,614,226

Commercial Services & Supplies 4.2%

ARAMARK Corp.:

LC Facility Letter of Credit, 0.22%, 1/26/14	120	111,797
U.S. Term Loan, 2.47%, 1/26/14	1,881	1,759,753
Alliance Laundry Systems LLC, Term Loan, 2.79% 4.75%, 1/27/12	737	706,447
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14	500	501,250
Kion Group GmbH (formerly Neggio Holdings 3 GmbH): Facility B, 2.51%, 12/29/14	500	317,188
Facility C, 2.76%, 12/29/15	500	317,188
Synagro Technologies, Inc., Term Loan (First Lien), 2.26% 2.27%, 4/02/14	987	777,582
West Corp., Term B-2 Loan, 2.64% 2.65%, 10/24/13	209	198,498
		4,689,703

Computers & Peripherals 0.8%

Intergraph Corp., Initial Term Loan (First Lien), 2.37%, 5/29/14	1,000	960,000
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Containers & Packaging 3.9%

Crown Americas LLC, Additional Term B Dollar Loan, 2.02%, 11/15/12	495	487,887
Graham Packaging Co., L.P., Term Loan B, 2.56%, 10/07/11	449	436,509
Graphic Packaging International, Inc., Incremental Term Loan, 3.08% 3.35%, 5/16/14	1,480	1,442,975
Smurfit Kappa Acquisitions (JSG): C1 Term Loan Facility, 4.12% 4.87%, 12/01/14	EUR 484	662,379
Term B1, 3.87% 4.73%, 12/02/13	486	665,768
Smurfit-Stone Container Enterprises, Inc., U.S. Term		

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Loan Debtor in Possession, 10.00%, 1/28/10	720	726,993
		4,422,511

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			
Diversified Consumer Services 1.3%			
Coinmach Laundry Corp., Delay Draw Term Loan, 3.28% 3.43%, 11/14/14	USD	1,730	\$ 1,470,989
Diversified Telecommunication Services 4.7%			
BCM Ireland Holdings Ltd. (Eircom):			
Facility B, 2.37%, 9/30/15	EUR	492	641,866
Facility C, 2.62%, 9/30/16		492	641,938
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14	USD	506	307,082
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13		1,972	1,932,952
PAETEC Holding Corp., Replacement Term Loan, 2.76%, 2/28/13		193	182,138
Time Warner Telecom Holdings Inc., Term Loan B, 2.02%, 1/07/13		152	148,532
Wind Finance SL SA, Euro Facility (Second Lien), 7.70%, 12/17/14	EUR	1,000	1,437,910 5,292,418
Electrical Equipment 0.4%			
Baldor Electric Co., Term Loan, 5.25%, 1/31/14	USD	500	493,214
Electronic Equipment, Instruments & Components 2.2%			
Flextronics International Ltd.:			
A Closing Date Loan, 2.53% 2.85%, 10/1/2014		761	682,443
Delay Draw Term Loan, 2.76%, 10/01/14		219	196,104
L-1 Identity Solutions Operating Co., Term Loan, 6.75%, 8/05/13		678	678,839
Matinvest 2 SAS/Butterfly Wendel US, Inc. (Deutsche Connector):			
B-2 Facility, 2.97%, 6/22/14		886	496,037
C-2 Facility 3.22%, 6/22/15		732	409,854 2,463,277
Energy Equipment & Services 0.8%			
Dresser, Inc., Term B Loan, 2.68%, 5/04/14		513	478,350
Volnay Acquisition Co., I (aka CGG) B1 Term Loan Facility, 3.93% 4.58%, 1/12/14		421	407,944

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886,294

Food & Staples Retailing 1.9%

AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.53%, 7/09/15	GBP	1,000	1,394,856
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15	USD	500	517,500
Wm. Bolthouse Farms, Inc., Term Loan (First Lien), 2.56%, 12/16/12		189	182,345
			2,094,701

Food Products 2.7%

Dole Food Co. Inc.:			
Credit-Linked Deposit, 0.51%, 4/12/13		127	128,241
Tranche B Term Loan, 8.00%, 4/12/13		223	224,177
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		830	835,304
Wm. Wrigley Jr. Co., Tranche B Term Loan, 6.50%, 10/06/14		1,894	1,915,765
			3,103,487

Health Care Equipment & Supplies 2.9%

Bausch & Lomb, Inc.:			
Delayed Draw Term Loan, 3.51% 3.85%, 4/24/2015		98	92,698
Parent Term Loan, 3.85%, 4/24/15		386	365,232
Biomet, Inc., Dollar Term Loan, 3.26% 3.61%, 3/25/15		1,323	1,268,924

	Par	
	(000)	Value

Floating Rate Loan Interests

Health Care Equipment & Supplies (concluded)

DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.26% 3.60%, 5/20/14	USD	985	\$ 940,675
Hologic, Inc., Tranche B Term Loan, 3.56%, 3/31/13		141	136,067
lasis Healthcare:			
Delayed Draw Term Loan, 2.26%, 3/14/14		120	113,037
Initial Term Loan, 2.26%, 3/14/14		347	326,645
Synthetic Line of Credit, 0.16%, 3/14/14		32	30,448
			3,273,726

Health Care Providers & Services 10.9%

CCS Medical, Inc. (Chronic Care), Term Loan (First Lien), 4.35%, 9/30/12 (a)(d)		275	124,094
CHS/Community Health Systems, Inc.:			
Delayed Draw Term Loan, 2.51%, 7/25/14		164	153,120

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Funded Term Loan, 2.51% 2.62%, 7/25/14	3,233	3,011,726
DaVita Inc., Tranche B-1 Term Loan, 1.77% 2.10%, 10/05/12	800	767,666
Fresenius AG:		
Term Loan B1, 6.75%, 7/06/14	712	715,118
Term Loan B2, 6.75%, 7/06/14	430	431,963
HCA Inc., Tranche A-1 Term Loan, 2.10%, 11/17/12	3,667	3,423,345
HealthSouth Corp., Term Loan, 2.52% 2.53%, 3/10/13	1,753	1,695,173
Surgical Care Affiliates, LLC, Term Loan, 2.60%, 12/29/14	343	309,417
Symbion, Inc.:		
Tranche A Term Loan, 3.51%, 8/23/13	474	414,358
Tranche B Term Loan, 3.51%, 8/25/14	474	414,358
Vanguard Health Holding Co. II, LLC (Vanguard Health System, Inc.), Replacement Term Loan, 2.51%, 9/23/11	858	834,974
		12,295,312
Health Care Technology 0.4%		
Sunquest Information Systems, Inc. (Misys Hospital Systems, Inc.), Term Loan, 3.52% 3.74%, 10/13/14	491	447,856
Hotels, Restaurants & Leisure 3.4%		
BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 9/01/09 (a)(d)	1,000	550,000
Harrah s Operating Co., Inc., Term B-2 Loan, 3.50%, 1/28/15	1,525	1,228,509
Penn National Gaming, Inc., Term Loan B, 2.03% 2.21%, 10/03/12	936	910,054
QCE, LLC (Quiznos), Term Loan (First Lien), 2.88%, 5/05/13	987	735,522
VML US Finance LLC (aka Venetian Macau), Term B:		
Delayed Draw Project Loan, 6.10%, 5/25/12	180	164,908
Funded Project Loan, 6.10%, 5/27/13	318	291,270
		3,880,263
Household Durables 2.3%		
Jarden Corp., Term Loan B3, 3.10%, 1/24/12	1,428	1,409,490
Yankee Candle Co., Inc., Term Loan, 2.27%, 2/06/14	1,221	1,132,407
		2,541,897
Household Products 0.3%		
VI-JON, Inc. (VJCS Acquisition, Inc.), Tranche B Term Loan, 2.28%, 4/24/14	341	311,733
IT Services 6.0%		
Amadeus Global Travel Distribution SA, GmbH (WAM Acquisition):		

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Term Loan B, 2.28%, 7/01/13	955	835,558
Term Loan C, 2.78%, 7/01/14	955	835,558
Ceridian Corp., U.S. Term Loan, 3.27%, 11/09/14	1,977	1,692,520
First Data Corp.:		
Initial Tranche B-1 Term Loan, 3.01% 3.02%, 9/24/14	741	616,994
Initial Tranche B-2 Term Loan, 3.01% 3.02%, 9/24/14	1,027	854,350
Initial Tranche B-3 Term Loan, 3.01% 3.02%, 9/24/14	986	819,922

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		
IT Services (concluded)		
SunGard Data Systems Inc:		
(Solar Capital Corp.), New US Term Loan, 6.75%, 2/28/14	USD 898	\$ 892,270
Term Loan B, 3.95% 4.09%, 2/28/16	226	218,615
		6,765,787
Independent Power Producers & Energy Traders 6.0%		
Dynergy Holdings Inc.:		
Term LC Facility Term Loan, 4.02%, 4/02/13	208	199,925
Tranche B Term Loan, 4.02%, 4/02/13	17	16,176
Mirant North America, LLC, Term Loan, 2.01%, 1/03/13	677	646,844
NRG Energy, Inc.:		
Credit-Linked Deposit, 0.50%, 2/01/13	164	154,241
Term Loan, 2.01% 2.35%, 2/01/13	1,597	1,506,337
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.78% 3.79%, 10/10/14	494	375,226
Initial Tranche B-2 Term Loan, 3.78% 3.79%, 10/10/14	499	379,036
Initial Tranche B-3 Term Loan, 3.78% 3.79%, 10/10/14	4,679	3,540,677
		6,818,462
Industrial Conglomerates 0.7%		
Sequa Corp., Term Loan, 3.65% 3.88%, 12/03/14	989	842,978
Insurance 0.6%		
Alliant Holdings I, Inc., Term Loan, 3.60%, 8/21/14	736	676,749
Internet & Catalog Retail 0.2%		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/04/14	236	233,672
Life Sciences Tools & Services 0.9%		
Life Technologies Corp., Term B Facility, 5.25%, 11/20/15	991	1,000,531
Machinery 3.1%		
LN Acquisition Corp. (Lincoln Industrial):		
Delayed Draw Term Loan (First Lien), 2.83%, 7/11/14	254	227,803
Initial U.S. Term Loan (First Lien), 2.78% 2.83%,		

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7/11/14	677	607,474
Navistar Financial Corp., Tranche A Term Loan, 2.31%, 3/27/10	299	290,244
Navistar International Corp.:		
Revolving Credit-Linked Deposit, 3.36% 3.51%, 1/19/12	533	496,000
Term Advance, 3.51%, 1/19/12	1,467	1,364,000
Oshkosh Truck Corp., Term Loan B, 6.60% 6.64%, 12/06/13	504	501,171
		3,486,692

Media 28.9%

AlixPartners, LLP, Tranche C Term Loan, 2.28% 2.51%, 10/12/13	500	486,250
Alpha Topco Ltd. (Formula One), Facility B2, 2.51%, 12/31/13	938	789,013
Bresnan Communications, LLC, Additional Term Loan B (First Lien), 2.51% 2.61%, 6/30/13	448	429,360
CSC Holdings Inc. (Cablevision), Incremental B Term Loan, 2.02% 2.07%, 3/29/13	1,719	1,662,067
Catalina Marketing Corp., Initial Term Loan, 3.03%, 10/01/14	797	748,603
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,900	1,824,000
Cequel Communications, LLC, Term Loan, 2.27%, 11/05/13	2,463	2,326,430

	Par (000)	Value
Floating Rate Loan Interests		
Media (concluded)		
Charter Communications Operating, LLC:		
Replacement Term Loan, 6.25%, 3/06/14 (a)(d)	USD 1,284	\$ 1,191,296
Term Loan B1, 7.94%, 3/25/14	1,500	1,499,250
FoxCo Acquisition Sub, LLC, Term Loan, 7.25%, 7/14/15	672	550,729
Gray Television, Inc., Term Loan B, 3.78%, 12/31/14	480	346,190
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.26%, 6/12/14	2,011	1,556,311
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.52% 2.54%, 3/08/14	495	208,715
Hargray Acquisition Co./DPC Acquisition LLC/HCP Acquisition LLC, Term Loan (First Lien), 2.72%, 6/27/14	487	443,974
Harland Clarke Holdings Corp. (fka Clarke American Corp.),		

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Tranche B Term Loan, 2.76% 3.10%, 6/30/14		525	428,700
Insight Midwest Holdings, LLC, B Term Loan, 2.28%, 4/07/14		500	477,143
Intelsat Corp. (fka PanAmSat Corp.):			
B-2-B Term Loan, 2.78%, 1/03/14		660	624,349
B-2-C Term Loan, 2.78%, 1/03/14		660	624,349
Tranche B-2-A Term Loan, 2.78%, 1/03/14		660	624,539
Lamar Advertising Co.:			
Term Loan B, 5.50%, 9/30/12		250	246,250
Term Loan E, 5.50%, 3/15/13		741	734,145
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):			
Facility B1, 3.53%, 3/06/15	EUR	1,010	818,408
Facility C1, 3.78%, 3/04/16		1,010	818,408
Local TV Finance, LLC Term Loan, 2.27%, 5/07/13	USD	964	658,440
MCC Iowa LLC (Mediacom Broadband Group):			
Tranche D-1 Term Loan, 2.01%, 1/31/15		376	351,197
Tranche E Term Loan, 6.50%, 11/30/15		823	823,951
NTL Cable Plc B-7 Facility Term Loan, 5.39%, 3/09/12		469	709,198
NV Broadcasting, LLC:			
Term Loan, Debtor in Possession, 13.00%, 2/28/10	USD	239	236,238
Term Loan (First Lien), 5.25%, 11/01/13 (a)(d)		1,639	409,710
Newsday, LLC:			
Fixed Rate Term Loan, 9.75%, 8/01/13		250	254,375
Floating Rate Term Loan, 6.01%, 8/01/13		500	493,750
Nielson Finance LLC:			
Class A Dollar Term Loan, 2.28%, 8/09/13		763	709,903
Class B Dollar Term Loan, 4.03%, 5/01/16		1,592	1,492,607
Parkin Broadcasting, LLC Term Loan, 5.25%, 11/01/13 (a)(d)		336	84,042
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.73%, 6/01/12		1,751	1,455,341
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		1,395	1,402,854
Tribune Co., Debtor in Possession Term Loan, 9.00%, 4/07/10		350	351,750
UPC Financing Partnership, Facility U, 4.54%, 12/31/17	EUR	1,600	2,093,070
Virgin Media Investment Holdings Ltd. (fka NTL):			
B-1 Facility Term Loan, 3.89%, 7/30/12	GBP	206	308,698
C Facility, 3.62%, 7/17/13		165	236,378
Term Loan B, 5.39%, 3/09/12		281	424,260

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World Color Press Inc. and World Color (USA) Corp. (fka

Quebecor World Inc.), Advance, 9.00%, 7/21/12

USD

650

645,125

32,599,366

Metals & Mining 0.8%

Essar Steel Algoma Inc. (fka Algoma Steel Inc.), Term

Loan, 2.77%, 6/20/13

990

890,909

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			
Multi-Utilities 0.4%			
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):			
First Lien Term Loan B, 3.13%, 11/01/13	USD	443 \$	407,773
Synthetic Letter of Credit, 0.48%, 11/01/13		57	52,540
			460,313
Multiline Retail 1.3%			
Dollar General Corp., Tranche B-1 Term Loan, 3.01% 3.24%, 7/07/14		1,500	1,458,958
Oil, Gas & Consumable Fuels 0.7%			
Big West Oil, LLC, Initial Advance Loan, 4.50%, 5/15/14		352	323,806
Vulcan Energy Corp. (fka Plains Resources Inc.), Term B3 Loan, 5.50%, 8/12/11		500	493,125
			816,931
Paper & Forest Products 3.1%			
Georgia-Pacific LLC, Term B Loan, 2.34% 2.65%, 12/20/12		2,291	2,213,236
NewPage Corp., Term Loan, 4.06%, 12/22/14		1,389	1,286,169
			3,499,405
Personal Products 0.9%			
American Safety Razor Co., LLC Loan (Second Lien), 6.52%, 1/30/14		1,250	975,000
Pharmaceuticals 0.6%			
Warner Chilcott Co., Inc., Tranche B Acquisition Date Term Loan, 2.26% 2.60%, 1/18/12		482	478,611
Warner Chilcott Corp., Tranche C Acquisition Date Term Loan, 2.26%, 1/18/12		216	214,523
			693,134
Professional Services 0.9%			
Booz Allen Hamilton Inc., Tranche B Term Loan, 4.50%, 7/31/15		993	992,503
Specialty Retail 0.8%			
Adesa, Inc., (KAR Holdings, Inc.), Initial Term Loan, 2.52%, 10/20/13		400	375,333
General Nutrition Centers, Inc., Term Loan, 2.52% 2.85%, 9/16/13		552	507,469
			882,802

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Textiles, Apparel & Luxury Goods 0.4%

Hanesbrands Inc., Term B Loan (First Lien),

5.02% 5.25%, 9/05/13 436 436,135

Wireless Telecommunication Services 2.5%

Digicel International Finance Ltd., Tranche A, 3.13%,

3/01/12 1,175 1,116,250

MetroPCS Wireless, Inc., Tranche B Term Loan,

2.56% 2.75%, 11/03/13 1,272 1,195,985

Ntelos Inc., Term B Advance, 5.75%, 7/31/15

500 498,750

2,810,985

Total Floating Rate Loan Interests 116.5%

131,470,515

Total Investments (Cost \$146,223,408*) 124.4%

140,367,876

Liabilities in Excess of Other Assets (24.4)%

(27,505,826)

Net Assets 100.0%

\$112,862,050

* The cost and unrealized appreciation (depreciation) of investments as of August 31,

2009, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$146,223,408
Gross unrealized appreciation	\$ 2,824,269
Gross unrealized depreciation	(8,679,801)
Net unrealized depreciation	\$ (5,855,532)

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

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		\$ 6,279
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$(2,365,561)	\$13,793

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

Foreign currency exchange contracts as of August 31, 2009 were as follows:

Unrealized

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Currency Purchased	Currency Sold	Counterparty	Date	Settlement Appreciation (Depreciation)
EUR 1,000 USD	1,434	Citibank NA	9/01/09	
USD 9,015,715 EUR	6,450,000	Citibank NA	9/16/09	\$ (231,252)
USD 2,682,215 GBP	1,641,000	Citibank NA	10/28/09	10,965
Total				\$ (220,287)

Currency Abbreviations:

EUR Euro
 GBP British Pound
 USD US Dollar

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of 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 securities

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 methodology 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 Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities Assets
Level 1 Common Stocks	\$ 480,480
Level 2	
Long-Term Investments:	
Corporate Bonds	8,416,881
Floating Rate Loan Interests	106,975,159
Total Level 2	115,392,040
Level 3 Floating Rate Loan Interests	24,495,356
Total	\$140,367,876

Valuation Inputs	Assets	Other Financial Instruments¹ Liabilities
Level 1		
Level 2	\$ 10,965	\$ (231,252)
Level 3	60,517	
Total	\$ 71,482	\$ (231,252)

¹ Other financial instruments are foreign currency exchange contracts

and unfunded loan commitments, which are valued at the unrealized appreciation/depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

Investments in Securities

	Floating Rate Loan Interests
Balance, as of August 31, 2008	\$ 4,841,355
Accrued discounts/premiums	
Realized gain (loss)	(418,772)
Change in unrealized appreciation (depreciation) ²	(1,001,736)
Net purchases (sales)	(981,612)
Net transfers in/out of Level 3	22,056,121
Balance as of August 31, 2009	\$ 24,495,356

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

The following is a reconciliation of other financial instruments for unobservable

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inputs (Level 3) used in determining fair value:

Other Financial Instruments³

	Assets
Balance, as of August 31, 2008	
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Net purchases (sales)	
Net transfers in/out of Level 3	\$ 60,517
Balance as of August 31, 2009	\$ 60,517

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2009 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, 15.13%, 6/15/41 (a)(b)	USD 1,350	\$ 528,255
Total Asset-Backed Securities 0.5%		528,255
Common Stocks		
Building Products 0.8%		
Masonite Worldwide Holdings (c)	20,955	847,630
Capital Markets 0.4%		
E*Trade Financial Corp. (c)	248,000	436,480
Chemicals 0.0%		
Wellman Holdings, Inc. (c)	1,613	403
Electrical Equipment 0.0%		
Medis Technologies Ltd. (c)	176,126	50,196
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (c)	688	7
Media 0.3%		
Sirius XM Radio, Inc. (c)	435,000	292,973
Metals & Mining 0.0%		
Euramax International (c)	467	5,026
Paper & Forest Products 0.9%		
Ainsworth Lumber Co. Ltd.	311,678	449,830
Ainsworth Lumber Co. Ltd. (b)(c)	349,782	503,215
		953,045
Software 0.2%		
TiVo, Inc. (c)	21,000	206,010
Total Common Stocks 2.6%		2,791,770
Corporate Bonds		
Airlines 0.3%		
United Air Lines, Inc., 12.75%, 7/15/12	USD 300	288,000
Auto Components 2.0%		
Allison Transmission, Inc., 11.00%, 11/01/15 (b)	63	56,700
The Goodyear Tire & Rubber Co., 5.01%, 12/01/09 (a)	2,000	1,992,500
Lear Corp., 8.75%, 12/01/16 (c)(d)	255	137,700