

BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-CSRS

November 08, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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Date of fiscal year end: 02/28/2011

Date of reporting period: 08/31/2010

Item 1 Report to Stockholders

August 31, 2010

Semi-Annual Report (Unaudited)

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

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

BlackRock Senior High Income Fund, Inc. (ARK)

Not FDIC Insured § No Bank Guarantee § May Lose Value

Table of Contents

	Page
<u>Dear Shareholder</u>	3
Semi-Annual Report:	
<u>Fund Summaries</u>	4
<u>The Benefits and Risks of Leveraging</u>	9
<u>Derivative Financial Instruments</u>	9
Financial Statements:	
<u>Schedules of Investments</u>	10
<u>Statements of Assets and Liabilities</u>	48
<u>Statements of Operations</u>	49
<u>Statements of Changes in Net Assets</u>	50
<u>Statements of Cash Flows</u>	53
<u>Financial Highlights</u>	54
<u>Notes to Financial Statements</u>	59
<u>Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements</u>	67
<u>Officers and Directors</u>	71
<u>Additional Information</u>	72

Dear Shareholder

The global economic recovery continues, although global and US economic statistics show that the pace of economic growth has slowed. The sovereign debt crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip recession have all acted to depress investor sentiment. Despite broadening evidence of a slowdown in global economic activity, market volatility has normalized from the extreme levels seen in recent months. In the United States, economic data continues to be mixed, but it is our view that the preponderance of data suggests that the recovery is continuing. The critical issue for investors remains the question of whether the economy will experience a double-dip recession. We are on the optimistic side of this debate and would point out that while the recovery has been slow, we have made significant progress.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred primarily as a result of mixed economic data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets lost ground on weaker-than-expected economic data, most notably from the United States. International equities posted negative returns on both a six- and 12-month basis while US equities posted negative returns over the six months, but were still showing positive returns on a 12-month basis as the domestic economic recovery had been more pronounced and credit-related issues held European markets down. Within the United States, smaller cap stocks continue to outperform large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Risk aversion and credit issues have kept interest rates low and US Treasury yields have fallen significantly as investors favored safe haven assets. As the period drew to a close, Treasuries modestly outperformed the spread sectors of the market (those driven by changes in credit risk). Corporate credit spreads benefited from the low rate environment and high yield fixed income remains attractive due to low default rates and better-than-expected results on European bank stress tests. Meanwhile, tax-exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period.

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

Total Returns as of August 31, 2010	6-month	12-month
US large cap equities (S&P 500 Index)	(4.04)%	4.91%
US small cap equities (Russell 2000 Index)	(3.60)	6.60
International equities (MSCI Europe, Australasia, Far East Index)	(3.04)	(2.34)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.14
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	11.49	11.58
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.81	9.18
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	5.42	9.78
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.62	21.40

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

Although conditions have improved over the past couple of years, investors across the globe continue to face uncertainty about the future direction of economic growth. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*[®] magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. We thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,
Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

3

Fund Summary as of August 31, 2010

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

BlackRock Corporate High Yield Fund, Inc. s (COY) (the Fund) investment objective is to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities, which are rated in the lower rating categories of the established rating services (BB or lower by Standard & Poor s Corporation (S&P) or Ba or lower by Moody s Investors Service, Inc. (Moody s)) or are unrated securities considered by BlackRock to be of comparable quality. The Fund s secondary objective is to provide stockholders with capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets in high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and corporate loans which are below investment grade quality. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned 6.15% based on market price and 7.94% based on net asset value (NAV). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the six-month period, high yield bonds lagged investment grade issues but outperformed the broad US equity market. Given our outlook for a continued slow economic environment, we focused more on sectors and companies with relatively stable cash flows and the ability to generate steady income, and less on companies which require growth to prosper and service their debt. Outside of this focus, the Fund s investments in special situations and recovery stories, most notably in the automotive sector, contributed to the Fund s outperformance versus its peer group. The Fund s underweight in higher quality speculative grade names and overweight in lower quality credits benefited performance. Toward the end of the period, we moved to an underweight position in lower quality names as lower quality issues have recently become expensive relative to higher quality names. During the period, the Fund maintained leverage at an average of approximately 17% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. The Fund s exposure to Floating Rate Loans detracted from performance (despite favorable security selection within the sector) as the bank loan sector underperformed high yield during the period.

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 NYSE	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of August 31, 2010 (\$6.98) ¹	8.77%
Current Monthly Distribution per Share ²	\$0.051
Current Annualized Distribution per Share ²	\$0.612
Leverage as of August 31, 2010 ³	17%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² The distribution rate is not constant and is subject to change.
- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 6.98	\$ 6.88	1.45%	\$ 7.08	\$ 5.50
Net Asset Value	\$ 6.85	\$ 6.64	3.16%	\$ 7.02	\$ 6.60

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

Portfolio Composition

	8/31/10	2/28/10
Corporate Bonds	84%	82%
Floating Rate Loan Interests	12	13
Common Stocks	2	3
Other Interests	2	2

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	3%	3%
BB/Ba	36	30
B	46	46
CCC/Caa	11	12
CC/Ca		1
D		1
Not Rated	4	7

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

4

SEMI-ANNUAL REPORT

AUGUST 31, 2010

Fund Summary as of August 31, 2010

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

BlackRock Corporate High Yield Fund III, Inc. s (CYE) (the Fund) primary investment objective is to provide current income by investing primarily in fixed-income securities, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P or Baa or lower by Moody s) or are unrated securities of comparable quality. The Fund s secondary investment objective is to provide capital appreciation. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned 8.45% based on market price and 7.81% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. During the six-month period, high yield bonds lagged investment grade issues but outperformed the broad US equity market, as the slowing economy and concerns about Europe caused investors to sell riskier investments and falling interest rates pushed up the prices of higher quality bonds. Given our outlook for a continued slow economic environment, we began to focus more on sectors and companies with relatively stable cash flows and the ability to generate steady income, and less on companies with less stable cash flow and which require growth to be able to service their debt. Outside of this focus, we continued to invest in a few special situations and recovery stories, most notably in the automotive sector. These investments were key contributors to the Fund s outperformance versus its peer group for the period. The Fund s underweight position in higher quality speculative grade names and overweight in lower quality credits benefited performance during the period. Toward the end of the period, we moved to an underweight position in lower quality names, which we believe will benefit the Fund going forward as lower quality issues have recently become expensive relative to higher quality names. During the period, the Fund maintained leverage at an average amount between 18% to 20% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. The Fund s exposure to Floating Rate Loans detracted from performance (despite favorable security selection within the sector) as the bank loan sector underperformed high yield during the period.

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Fund Information

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of August 31, 2010 (\$6.92) ¹	8.67%
Current Monthly Distribution per Share ²	\$0.05
Current Annualized Distribution per Share ²	\$0.60
Leverage as of August 31, 2010 ³	20%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² The distribution rate is not constant and is subject to change.
- ³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 6.92	\$ 6.67	3.75%	\$ 7.14	\$ 5.29
Net Asset Value	\$ 6.90	\$ 6.69	3.14%	\$ 7.13	\$ 6.66

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

Portfolio Composition

	8/31/10	2/28/10
Corporate Bonds	80%	81%
Floating Rate Loan Interests	14	13
Common Stocks	2	4
Other Interests	2	2
Preferred Stocks	2	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	3%	3%
BB/Ba	35	29
B	46	47
CCC/Caa	11	12
D		1
Not Rated	5	8

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

Fund Summary as of August 31, 2010

BlackRock Debt Strategies Fund, Inc.

Fund Overview

BlackRock Debt Strategies Fund, Inc. s (DSU) (the **Fund**) primary investment objective is to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P or Baa or lower by Moody's) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. The Fund's secondary objective is to provide capital appreciation. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned 4.91% based on market price and 7.61% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's Lipper category competitors invest primarily in high yield bonds, whereas the Fund invests in both high yield bonds and bank loans. During the period, approximately 48% of the Fund was invested in bank loans, with 43% in high yield, and the remainder in common stock, convertibles and investment-grade bonds. The Fund performed in line with its Lipper category, even though bank loans underperformed high yield during the period. The Fund maintained relatively conservative positioning, with a focus on sectors that are less sensitive to the economy and the consumer. This positioning had a negative impact on performance in a generally improving market, although it proved beneficial during the market correction that occurred in the second quarter of 2010. The Fund continued to maintain relatively low levels of leverage, which detracted from performance versus competitors that maintained higher leverage, as would be expected in an advancing market. Contributing positively to performance were the Fund's overweight position in the automobiles sector, investments in several distressed credits and special situations, and an underweight position in health care.

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Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of August 31, 2010 (\$3.92) ¹	8.88%
Current Monthly Distribution per Share ²	\$0.029
Current Annualized Distribution per Share ²	\$0.348
Leverage as of August 31, 2010 ³	16%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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² A change in the distribution rate was declared on September 1, 2010. The Monthly Distribution per Share was decreased to \$0.027. 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 change in the future.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 3.92	\$ 3.91	0.26%	\$ 4.42	\$ 2.95
Net Asset Value	\$ 4.00	\$ 3.89	2.83%	\$ 4.14	\$ 3.89

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests	50%	47%
Corporate Bonds	46	49
Common Stocks	3	4
Other Interests	1	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	6%	5%
BB/Ba	30	27
B	48	44
CCC/Caa	9	11
D	1	1
Not Rated	7	12

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

Fund Summary as of August 31, 2010

BlackRock Floating Rate Income Strategies Fund II, Inc.

Fund Overview

BlackRock Floating Rate Income Strategies Fund II, Inc. s (FRB) (the Fund) investment objective is to provide shareholders with high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in floating rate debt securities, including floating or variable rate debt securities that pay interest at rates that adjust whenever a specified interest rate changes and/or which reset on predetermined dates (such as the last day of a month or calendar quarter). The Fund invests a substantial portion of its investments in floating rate debt securities consisting of secured or unsecured senior floating rate loans that are rated below investment grade. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned (7.02)% based on market price and 4.25% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 2.23% based on market price and 2.82% based on NAV. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds and unleveraged continuously offered closed-end funds. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s allocation to high yield bonds (approximately 20%) benefited performance as the sector performed well during the period. We focused on higher quality loan structures and borrowers with relatively stable cash flows and the ability to generate steady income. Outside of this focus, we invested in a few special situations and recovery stories, most notably in the automotive sector, which contributed positively to performance. The Fund s overweight in higher quality speculative investments and underweight in lower quality credits modestly detracted from performance. The Fund maintained leverage at an average between 16% to 17% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing.

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Fund Information

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of August 31, 2010 (\$13.50) ¹	6.67%
Current Monthly Distribution per Share ²	\$0.075
Current Annualized Distribution per Share ²	\$0.900
Leverage as of August 31, 2010 ³	17%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 13.50	\$ 15.01	(10.06)%	\$ 15.63	\$ 12.80
Net Asset Value	\$ 13.27	\$ 13.16	0.84%	\$ 13.52	\$ 13.03

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests	76%	73%
Corporate Bonds	22	26
Other Interests	1	1
Common Stock	1	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	6%	6%
BB/Ba	34	34
B	48	38
CCC/Caa	6	10
CC/Ca	1	1
D		2
Not Rated	5	9

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

Fund Summary as of August 31, 2010

BlackRock Senior High Income Fund, Inc.

Fund Overview

BlackRock Senior High Income Fund, Inc. s (ARK) (the Fund) investment objective is to provide high current income by investing principally in senior debt obligations of companies, including corporate loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned 3.86% based on market price and 5.98% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s Lipper category competitors invest primarily in high yield bonds, whereas the Fund invests in both high yield bonds and bank loans. During the period, approximately 46% of the Fund was invested in bank loans, with 47% in high yield, and the remainder in common stock, convertibles and investment-grade bonds. The Fund s allocation to bank loans detracted from relative performance during the period, as loans underperformed high yield. The Fund maintained relatively conservative positioning, with a focus on sectors that are less sensitive to the economy and the consumer. This positioning had a negative impact on performance in a generally improving market, although it proved beneficial during the market correction that occurred in the second quarter of 2010. The Fund continued to maintain relatively low levels of leverage (less than 15%), which detracted from performance versus competitors that maintained higher leverage, as would be expected in an advancing market. Contributing positively to performance were the Fund s overweight position in the automobiles sector, investments in several distressed credits and special situations, and an underweight position in health care.

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Fund Information

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of August 31, 2010 (\$3.94) ¹	7.61%
Current Monthly Distribution per Common Share ²	\$0.025
Current Annualized Distribution per Common Share ²	\$0.300
Leverage as of August 31, 2010 ³	13%

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.

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 3.94	\$ 3.94	0.00%	\$ 4.48	\$ 3.59
Net Asset Value	\$ 3.99	\$ 3.91	2.05%	\$ 4.09	\$ 3.87

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests	51%	46%
Corporate Bonds	46	52
Common Stocks	2	2
Other Interests	1	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	7%	5%
BB/Ba	32	33
B	48	43
CCC/Caa	7	11
D		1
Not Rated	6	7

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

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

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

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

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it issues debt securities for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays interest expense on the \$30 million of debt securities based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from borrowings earn income based on long-term interest rates. In this case, the interest expense of borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the 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 discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in 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 a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income.

Under the Investment Company Act of 1940, 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, 2010, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
COY	17%
CYE	20%
DSU	16%

FRB	17%
ARK	13%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, swaps, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which may 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, equity, credit and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Funds ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold a security that it might otherwise sell. The Funds investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments August 31, 2010 (Unaudited)

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

Common Stocks	Shares	Value
Building Products 0.1%		
Masonite Worldwide Holdings (a)	5,953	\$ 226,214
Capital Markets 0.1%		
E*Trade Financial Corp. (a)	26,900	333,829
Chemicals 0.0%		
Wellman Holdings, Inc. (a)	1,425	71
Communications Equipment 0.5%		
Loral Space & Communications Ltd. (a)	22,577	1,208,773
Construction Materials 0.0%		
Nortek, Inc. (a)	2,020	83,830
Containers & Packaging 0.0%		
Smurfit Kappa Plc (a)	3,634	31,776
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	67,974	2,107
Household Durables 0.2%		
Beazer Homes USA, Inc. (a)	113,588	393,014
Machinery 0.2%		
Accuride Corp., Restricted Shares (a)	84,389	92,828
Navistar International Corp. (a)	8,700	364,356
		457,184
Media 0.4%		
Charter Communications, Inc. (a)	15,186	516,324
Gannett Co., Inc.	39,500	477,555
		993,879
Paper & Forest Products 0.1%		
Ainsworth Lumber Co. Ltd. (a)	36,744	86,144
Ainsworth Lumber Co. Ltd. (a)(b)	41,686	97,731
Western Forest Products, Inc. (a)	147,968	40,935
Western Forest Products, Inc. (a)(b)	41,528	11,488
		236,298
Semiconductors & Semiconductor		

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Equipment 0.0%		
SunPower Corp., Class B (a)	352	3,640
Software 0.2%		
HMH Holdings/EduMedia (a)	83,184	415,922
Wireless Telecommunication Services 0.1%		
FiberTower Corp. (a)	76,542	274,786
Total Common Stocks 1.9%		4,661,323

Corporate Bonds	Par (000)		
Aerospace & Defense 0.4%			
Bombardier, Inc., 7.75%, 3/15/20 (b)	USD 200		215,000
DynCorp International, Inc., 10.38%, 7/01/17 (b)	230		228,850
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	500		516,250
			<u>960,100</u>

Corporate Bonds	Par (000)		Value
Air Freight & Logistics 0.6%			
National Air Cargo Group, Inc.:			
Series 1, 12.38%, 8/16/15	USD 695	\$	695,000
Series 2, 12.38%, 8/16/15	695		695,000
			<u>1,390,000</u>

Airlines 2.9%			
Air Canada (b):			
9.25%, 8/01/15	970		950,600
12.00%, 2/01/16	260		243,100
American Airlines, Inc., 10.50%, 10/15/12 (b)	870		924,375
American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13	390		408,135
Continental Airlines, Inc.:			
6.75%, 9/15/15 (b)	540		534,600
Series 1997-4-B, 6.90%, 7/02/18	503		490,655
Series 2001-1-C, 7.03%, 12/15/12	224		222,395
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	926		972,807
United Air Lines, Inc., 12.75%, 7/15/12	1,982		2,210,376
			<u>6,957,043</u>

Auto Components 1.5%			
Allison Transmission, Inc. (b):			
11.00%, 11/01/15	220		236,500

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11.25%, 11/01/15 (c)		164	176,300
Delphi International Holdings Unsecured, 12.00%, 10/06/14		41	39,860
The Goodyear Tire & Rubber Co.:			
8.25%, 8/15/20		400	409,500
8.75%, 8/15/20		280	296,100
Icahn Enterprises LP, 8.00%, 1/15/18		2,475	2,462,625
			3,620,885
Beverages 0.2%			
Cott Beverages USA, Inc., 8.13%, 9/01/18 (b)		245	252,044
Crown European Holdings SA, 7.13%, 8/15/18 (b)	EUR	225	292,259
			544,303
Biotechnology 0.3%			
QHP Pharma, 10.25%, 3/15/15 (b)	USD	582	593,916
Building Products 1.5%			
Associated Materials LLC, 9.88%, 11/15/16		710	752,600
Building Materials Corp. of America (b):			
6.88%, 8/15/18		490	476,525
7.00%, 2/15/20		570	567,150
Momentive Performance Materials, Inc., Series WI, 9.75%, 12/01/14		695	678,494
Ply Gem Industries, Inc., 11.75%, 6/15/13		1,130	1,163,900
			3,638,669
Capital Markets 0.5%			
E*Trade Financial Corp., 3.43%, 8/31/19 (b)(d)(e)		226	271,200
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)		904	334,480
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(c)		254	22,889
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(c)		266	23,928
Offshore Group Investments Ltd., 11.50%, 8/01/15 (b)		480	478,800
			1,131,297

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

CAD	Canadian Dollar
EUR	Euro
FKA	Formerly Known As
GBP	British Pound
PIK	Payment-In-Kind
USD	US Dollar

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds	Par (000)	Value
Chemicals 3.5%		
American Pacific Corp., 9.00%, 2/01/15	USD 800	\$ 791,000
CF Industries, Inc.:		
6.88%, 5/01/18	405	426,263
7.13%, 5/01/20	715	766,837
Chemtura Corp., 7.88%, 9/01/18 (b)	490	500,412
Georgia Gulf Corp., 9.00%, 1/15/17 (b)	155	160,619
Hexion U.S. Finance Corp.:		
9.75%, 11/15/14	730	717,225
8.88%, 2/01/18	690	638,250
Huntsman International LLC (b):		
6.88%, 11/15/13	260	324,543
8.63%, 3/15/20	220	218,075
Ineos Finance Plc, 9.00%, 5/15/15 (b)	385	389,331
Innophos, Inc., 8.88%, 8/15/14	740	758,500
MacDermid, Inc., 9.50%, 4/15/17 (b)	1,180	1,196,225
OXEA Finance/Cy SCA, 9.63%, 7/15/17 (b)	EUR 385	504,968
Wellman Holdings, Inc., Subordinate Note (d):		
(Second Lien), 10.00%, 1/29/19 (b)	USD 790	687,300
(Third Lien), 5.00%, 1/29/19 (c)	259	101,015
		8,180,563
Commercial Banks 3.0%		
CIT Group, Inc.:		
7.00%, 5/01/16	1,735	1,648,250
7.00%, 5/01/17	5,870	5,519,631
		7,167,881
Commercial Services & Supplies 1.1%		
ACCO Brands Corp., 10.63%, 3/15/15	480	528,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)	555	604,950
Scientific Games International, Inc., 9.25%, 6/15/19	215	227,900
West Corp., 11.00%, 10/15/16	1,170	1,228,500
		2,589,350
Construction Materials 0.9%		
Nortek, Inc., 11.00%, 12/01/13	2,029	2,138,035
Consumer Finance 1.0%		
Credit Acceptance Corp., 9.13%, 2/01/17 (b)	640	663,200
Ford Motor Credit Co. LLC:		
3.28%, 1/13/12 (f)	195	191,100

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7.80%, 6/01/12	200	210,468
8.00%, 12/15/16	170	184,609
6.63%, 8/15/17	1,150	1,168,828
		2,418,205

Containers & Packaging 3.2%

Ball Corp., 6.75%, 9/15/20	475	499,938
Berry Plastics Corp.:		
8.88%, 9/15/14	755	719,137
8.25%, 11/15/15	125	125,313
9.50%, 5/15/18 (b)	395	363,400
Berry Plastics Holding Corp., 8.88%, 9/15/14	2,305	2,195,512
Graphic Packaging International, Inc., 9.50%, 6/15/17	810	862,650
Impress Holdings BV, 3.65%, 9/15/13 (b)(f)	390	368,550
Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14	EUR 152	194,548
Pregis Corp., 12.38%, 10/15/13	USD 1,130	1,130,000
Smurfit Kappa Acquisitions (b):		
7.25%, 11/15/17	465	601,057
7.75%, 11/15/19	440	571,530
		7,631,635

Corporate Bonds	Par (000)	Value
Diversified Consumer Services 1.2%		
Service Corp. International, 7.00%, 6/15/17	USD 2,800	\$ 2,898,000
Diversified Financial Services 6.7%		
Ally Financial Inc. (b):		
8.30%, 2/12/15	1,970	2,048,800
7.50%, 9/15/20	1,760	1,742,400
Axcen Intermediate Holdings, Inc., 12.75%, 3/01/16	935	936,169
FCE Bank Plc:		
7.88%, 2/15/11	1,150	1,785,742
7.13%, 1/16/12	1,450	1,901,826
7.13%, 1/15/13	550	721,382
GMAC, Inc.:		
7.50%, 12/31/13	350	357,437
2.74%, 12/01/14 (f)	371	318,959
8.00%, 3/15/20 (b)	2,300	2,357,500
Leucadia National Corp., 8.13%, 9/15/15	1,120	1,192,800
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)	1,340	1,350,050
Reynolds Group Issuer, Inc. (b):		
7.75%, 10/15/16	350	450,186
8.50%, 5/15/18	710	681,600
		15,844,851

Diversified Telecommunication Services 4.5%

Broadview Networks Holdings, Inc., 11.38%, 9/01/12	1,000	980,000
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Frontier Communications Corp.:		
7.88%, 4/15/15	550	580,250
8.25%, 4/15/17	700	740,250
8.50%, 4/15/20	325	344,906
GCI, Inc., 8.63%, 11/15/19	1,100	1,155,000
ITC Deltacom, Inc., 10.50%, 4/01/16	500	492,500
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)	200	210,000
Qwest Communications International, Inc.:		
7.50%, 2/15/14	1,890	1,925,437
8.00%, 10/01/15 (b)	500	537,500
Series B, 7.50%, 2/15/14	1,385	1,410,969
Qwest Corp.:		
7.63%, 6/15/15	500	561,250
8.38%, 5/01/16	650	757,250
Windstream Corp.:		
8.13%, 8/01/13	400	426,500
7.88%, 11/01/17	600	609,000
		10,730,812

Energy Equipment & Services 1.9%

Compagnie Générale de Géophysique-Veritas:		
7.50%, 5/15/15	1,210	1,197,900
7.75%, 5/15/17	300	297,750
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	1,715	1,603,525
Global Geophysical Services, Inc., 10.50%, 5/01/17 (b)	285	282,150
North American Energy Alliance LLC, 10.88%, 6/01/16 (b)	625	675,000
Thermon Industries, Inc., 9.50%, 5/01/17 (b)	500	512,500
		4,568,825

Food & Staples Retailing 0.9%

AmeriQual Group LLC, 9.50%, 4/01/12 (b)		
	750	735,000
Rite Aid Corp.:		
9.75%, 6/12/16	380	403,750
10.25%, 10/15/19	580	595,950
8.00%, 8/15/20 (b)	480	477,000
		2,211,700

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds	Par (000)	Value
Food Products 0.5%		
B&G Foods, Inc., 7.63%, 1/15/18	USD 200	\$ 205,750
Reddy Ice Corp., 11.25%, 3/15/15 (b)	410	415,638
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	440	491,150
TreeHouse Foods, Inc., 7.75%, 3/01/18	150	158,625
		1,271,163
Health Care Equipment & Supplies 1.4%		
DJO Finance LLC, 10.88%, 11/15/14	2,255	2,415,669
Hologic, Inc., 2.00%, 12/15/37 (d)(g)	910	822,412
		3,238,081
Health Care Providers & Services 4.9%		
American Renal Holdings, 8.38%, 5/15/18 (b)	260	260,000
Gentiva Health Services, Inc., 11.50%, 9/01/18 (b)	655	677,925
HCA, Inc.:		
9.13%, 11/15/14	1,645	1,727,250
8.50%, 4/15/19	935	1,024,994
7.25%, 9/15/20	2,145	2,241,525
inVentiv Health Inc., 10.00%, 8/15/18 (b)	600	586,500
Omnicare, Inc., 7.75%, 6/01/20	465	465,000
Tenet Healthcare Corp.:		
9.00%, 5/01/15	1,717	1,828,605
10.00%, 5/01/18	622	699,750
8.88%, 7/01/19	2,010	2,173,312
		11,684,861
Health Care Technology 1.1%		
IMS Health, Inc., 12.50%, 3/01/18 (b)	2,235	2,589,806
Hotels, Restaurants & Leisure 2.3%		
Diamond Resorts Corp., 12.00%, 8/15/18 (b)	1,100	1,039,500
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 388	491,129
Harrah's Operating Co., Inc., 11.25%, 6/01/17	USD 615	658,050
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(h)	1,425	623,437
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(h)	1,175	396,563
MGM Mirage, 13.00%, 11/15/13	90	103,950
MGM Resorts International:		
10.38%, 5/15/14	235	256,150
11.13%, 11/15/17	780	871,650
Marina District Finance Co., Inc., 9.88%, 8/15/18 (b)	340	339,150

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Travelport LLC:		
5.16%, 9/01/14 (f)	145	134,488
9.88%, 9/01/14	190	194,275
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(h)		
	315	230
Virgin River Casino Corp., 9.00%, 1/15/12 (a)(h)		
	805	362,250
		5,470,822

Household Durables 3.6%

Beazer Homes USA, Inc.:		
6.88%, 7/15/15	170	147,050
8.13%, 6/15/16	295	258,125
12.00%, 10/15/17	1,425	1,604,906
9.13%, 6/15/18	1,620	1,433,700
DFS Furniture Holdings Plc, 9.75%, 7/15/17 (b)	GBP 193	277,494
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	USD 1,620	1,571,400
Ryland Group Inc., 6.63%, 5/01/20	625	585,938

Corporate Bonds	Par (000)	Value
Household Durables (concluded)		
Standard Pacific Corp.:		
9.25%, 4/15/12	USD 125	\$ 128,281
6.25%, 4/01/14	485	452,263
7.00%, 8/15/15	325	299,000
10.75%, 9/15/16	1,285	1,352,462
8.38%, 5/15/18	535	514,938
		8,625,557

Independent Power Producers & Energy Traders 2.9%

The AES Corp., 8.75%, 5/15/13 (b)		
	587	596,539
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		
	1,190	1,249,500
Energy Future Holdings Corp., 10.00%, 1/15/20 (b)		
	3,115	2,999,754
Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20		
	161	154,718
NRG Energy, Inc.:		
7.25%, 2/01/14	1,215	1,239,300
7.38%, 2/01/16	250	251,875
7.38%, 1/15/17	385	387,888
		6,879,574

Industrial Conglomerates 2.6%

Sequa Corp. (b):		
11.75%, 12/01/15	2,190	2,255,700
13.50%, 12/01/15 (c)	3,759	3,909,102
		6,164,802

Insurance 0.9%

Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)		
	1,600	1,642,000
USI Holdings Corp., 4.25%, 11/15/14 (b)(f)		
	630	533,925
		2,175,925

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Life Sciences Tools & Services 0.2%

Patheon, Inc., 8.63%, 4/15/17 (b)	540	537,975
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Machinery 1.8%

AGY Holding Corp., 11.00%, 11/15/14	900	765,000
Accuride Corp., 7.50%, 2/26/20 (c)(d)	9	22,842
Navistar International Corp.:		
3.00%, 10/15/14 (d)	1,750	1,909,687
8.25%, 11/01/21	1,000	1,047,500
Oshkosh Corp., 8.25%, 3/01/17	130	136,825
Titan International, Inc., 5.63%, 1/15/17 (b)(d)	220	261,800
		4,143,654

Marine 0.7%

Horizon Lines, Inc., 4.25%, 8/15/12 (d)	1,985	1,667,400
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Media 12.8%

Affinion Group, Inc.:		
10.13%, 10/15/13	2,235	2,290,875
10.13%, 10/15/13	715	731,087
CCH II LLC, 13.50%, 11/30/16	502	595,301
CCO Holdings LLC (b):		
7.88%, 4/30/18	430	445,050
8.13%, 4/30/20	430	452,575
CMP Susquehanna Corp., 3.64%, 5/15/14 (b)(f)	150	3,000
CSC Holdings, Inc., 8.50%, 4/15/14	370	404,225
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(c)	555	593,850
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	779	808,212
Series B, 9.25%, 12/15/17	3,945	4,137,319
Cox Enterprises, Inc.:		
Loan Close 2, 4.00%, 8/15/18	605	605,266
Loan Close 3, 8/15/18	700	700,000
Shares Loan, 4.00%, 8/15/18	714	713,688

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Media (concluded)			
DISH DBS Corp., 7.00%, 10/01/13	USD	90	\$ 93,713
Gray Television, Inc., 10.50%, 6/29/15		420	404,250
Harland Clarke Holdings Corp.:			
6.00%, 5/15/15 (f)		330	277,200
9.50%, 5/15/15		390	371,475
Intelsat Corp., 9.25%, 6/15/16		2,090	2,215,400
Interactive Data Corp., 10.25%, 8/01/18 (b)		945	980,437
Liberty Global, Inc., 4.50%, 11/15/16 (b)(d)		440	539,000
Liberty Media Corp., 3.13%, 3/30/23 (d)		1,023	1,112,512
Lighthouse International Co. SA:			
8.00%, 4/30/14	EUR	519	388,045
8.00%, 4/30/14 (b)		53	39,627
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	USD	600	579,000
McClatchy Co., 11.50%, 2/15/17 (b)		1,285	1,326,762
Nielsen Finance LLC:			
11.63%, 2/01/14		70	78,488
10.00%, 8/01/14		2,085	2,189,250
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(d)(h)		812	771,181
Rainbow National Services LLC (b):			
8.75%, 9/01/12		410	410,513
10.38%, 9/01/14		1,496	1,552,100
Regal Entertainment Group, 9.13%, 8/15/18		305	312,625
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	125	147,318
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	1,120	1,069,600
UPC Germany GmbH (b):			
8.13%, 12/01/17	EUR	640	657,600
8.13%, 12/01/17		407	526,086
9.63%, 12/01/19		530	703,546
UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500	520,625
Unitymedia GmbH, 9.63%, 12/01/19	EUR	158	209,736
Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)		343	441,187
			30,397,724
Metals & Mining 4.1%			
AK Steel Corp., 7.63%, 5/15/20	USD	20	20,150
Aleris International, Inc. (a)(h):			
9.00%, 12/15/14		950	1,900
10.00%, 12/15/16		800	304
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		800	837,000
7.38%, 2/15/16		215	215,269
FMG Finance Property Ltd. (b):			
10.00%, 9/01/13		500	550,625
10.63%, 9/01/16		1,100	1,274,625
Foundation PA Coal Co., 7.25%, 8/01/14		1,850	1,854,625
Goldcorp, Inc., 2.00%, 8/01/14 (d)		615	747,994

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McJunkin Red Man Corp., 9.50%, 12/15/16 (b)	565	498,612
Murray Energy Corp., 10.25%, 10/15/15 (b)	490	501,025
New World Resources NV:		
7.38%, 5/15/15	245	304,267
7.88%, 5/01/18	190	243,185
7.88%, 5/01/18 (b)	192	245,745
Novelis, Inc., 11.50%, 2/15/15	405	445,500
Ryerson, Inc.:		
7.84%, 11/01/14 (f)	380	352,450
12.00%, 11/01/15	245	252,044
Steel Dynamics, Inc., 7.38%, 11/01/12	250	265,625
United States Steel Corp., 7.38%, 4/01/20	480	486,000
Vedanta Resources Plc, 9.50%, 7/18/18 (b)	600	630,000
		9,726,945

Corporate Bonds	Par (000)	Value
Multiline Retail 2.5%		
Dollar General Corp.:		
10.63%, 7/15/15	USD 1,285	\$ 1,410,288
11.88%, 7/15/17 (c)	4,007	4,608,050
		6,018,338

Oil, Gas & Consumable Fuels 8.3%		
Arch Coal, Inc.:		
8.75%, 8/01/16	55	59,538
7.25%, 10/01/20	790	801,850
Atlas Energy Operating Co. LLC:		
12.13%, 8/01/17	450	516,938
10.75%, 2/01/18	240	264,600
Berry Petroleum Co., 8.25%, 11/01/16	470	474,700
Bill Barrett Corp., 9.88%, 7/15/16	40	43,400
Chesapeake Energy Corp.:		
6.63%, 8/15/20	2,170	2,178,137
2.25%, 12/15/38 (d)	775	580,281
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)	270	277,425
Connacher Oil and Gas Ltd. (b):		
11.75%, 7/15/14	165	179,025
10.25%, 12/15/15	1,075	1,075,000
Consol Energy, Inc., 8.25%, 4/01/20 (b)	1,825	1,936,781
Crosstex Energy LP, 8.88%, 2/15/18	375	387,188
Denbury Resources, Inc., 8.25%, 2/15/20	652	696,010
Linn Energy LLC, 8.63%, 4/15/20 (b)	1,005	1,060,275
Massey Energy Co., 6.88%, 12/15/13	865	875,812
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)	1,730	1,820,825
OPTI Canada, Inc. (b):		
9.00%, 12/15/12	1,615	1,619,037
9.75%, 8/15/13	900	888,750
Patriot Coal Corp., 8.25%, 4/30/18	380	377,150
Peabody Energy Corp., 6.50%, 9/15/20	1,000	1,051,250
Petrohawk Energy Corp.:		
10.50%, 8/01/14	530	592,275
7.88%, 6/01/15	450	466,875
QEP Resources, Inc., 6.88%, 3/01/21	430	448,275
Range Resources Corp., 8.00%, 5/15/19	400	428,000

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Teekay Corp., 8.50%, 1/15/20	610	651,175
		19,750,572
Paper & Forest Products 2.6%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)	337	287,866
Boise Paper Holdings LLC:		
9.00%, 11/01/17	310	326,275
8.00%, 4/01/20	140	142,450
Clearwater Paper Corp., 10.63%, 6/15/16	370	416,250
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,525	1,669,875
Glatfelter, 7.13%, 5/01/16 (b)	190	191,187
NewPage Corp., 11.38%, 12/31/14	2,930	2,380,625
Verso Paper Holdings LLC, 11.50%, 7/01/14	785	828,175
		6,242,703
Pharmaceuticals 0.6%		
Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (f)	995	803,463
Elan Finance Plc, 8.88%, 12/01/13	90	90,675
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR 580	617,404
		1,511,542
Real Estate Investment Trusts (REITs) 0.6%		
iStar Financial, Inc., 5.65%, 9/15/11	USD 1,500	1,374,375
Real Estate Management & Development 0.5%		
Forest City Enterprises, Inc., 7.63%, 6/01/15	1,325	1,209,063

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2010

13

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Road & Rail 0.9%			
Avis Budget Car Rental LLC, 9.63%, 3/15/18	USD	475	\$ 496,375
Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)	EUR	660	869,841
Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)	USD	750	733,125
			2,099,341
Semiconductors & Semiconductor Equipment 0.2%			
Advanced Micro Devices, Inc.:			
6.00%, 5/01/15 (d)		129	126,259
7.75%, 8/01/20 (b)		265	262,350
			388,609
Software 0.0%			
BMS Holdings, Inc., 8.59%, 2/15/12 (b)(c)(f)		445	8,906
Specialty Retail 1.6%			
Group 1 Automotive, Inc., 2.25%, 6/15/36 (d)(g)		985	749,831
Hillman Group, Inc., 10.88%, 6/01/18 (b)		490	515,725
Ltd. Brands, Inc., 8.50%, 6/15/19		745	841,850
Sonic Automotive, Inc., 9.00%, 3/15/18		345	351,038
Toys R Us-Delaware, Inc., 7.38%, 9/01/16 (b)		390	393,900
United Auto Group, Inc., 7.75%, 12/15/16		950	907,250
			3,759,594
Textiles, Apparel & Luxury Goods 0.2%			
Quiksilver, Inc., 6.88%, 4/15/15		470	434,750
Tobacco 0.1%			
Vector Group Ltd., 11.00%, 8/15/15		300	305,625
Wireless Telecommunication Services 5.2%			
Cricket Communications, Inc.:			
10.00%, 7/15/15		1,795	1,880,262
7.75%, 5/15/16		336	346,920
Digicel Group Ltd. (b):			
8.88%, 1/15/15		635	639,763
9.13%, 1/15/15 (c)		1,711	1,719,185
8.25%, 9/01/17		850	882,937
10.50%, 4/15/18		500	536,250
FiberTower Corp., 9.00%, 1/01/16 (c)		293	249,069
iPCS, Inc., 2.59%, 5/01/13 (f)		760	710,600
MetroPCS Wireless, Inc., 9.25%, 11/01/14		2,365	2,459,600

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Nextel Communications, Inc.:		
Series E, 6.88%, 10/31/13	1,110	1,107,225
Series F, 5.95%, 3/15/14	100	96,625
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)	265	251,750
Sprint Capital Corp., 6.88%, 11/15/28	1,720	1,436,200
		12,316,386
Total Corporate Bonds 98.9%		235,210,163

Floating Rate Loan Interests (f)

Auto Components 1.0%

Auto Components 1.0%		
Affinion Group Holdings, Inc., Term Loan, 8.51%, 3/01/12 (c)	455	436,988
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14	2,164	1,994,156
		2,431,144

Automobiles 1.3%

Automobiles 1.3%		
Ford Motor Co., Tranche B-1 Term Loan, 3.03%, 12/15/13	3,243	3,119,476

Building Products 1.2%

Building Products 1.2%		
CPG International I, Inc., Term Loan, 5.54%, 2/28/11	2,940	2,939,698

Floating Rate Loan Interests (f)	Par (000)	Value
Capital Markets 0.1%		
Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14	USD 377	\$ 261,513
Chemicals 0.2%		
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14	406	371,090
Construction & Engineering 0.7%		
Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17	1,750	1,750,000
Diversified Telecommunication Services 1.8%		
Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14	EUR 3,350	4,236,667
Health Care Providers & Services 0.8%		
Harden Healthcare LLC:		
Add-on Term Loan, 7.75%, 3/02/15	USD 500	490,000
Tranche A Term Loan, 8.50%, 2/22/15	436	427,280
inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16	900	898,312
		1,815,592

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Hotels, Restaurants & Leisure 1.2%			
Travelport LLC (FKA Travelport, Inc.), Loan, 8.37%, 3/27/12 (c)		3,121	2,902,582
IT Services 0.4%			
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14		47	39,964
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14		380	323,556
Initial Tranche B-3 Term Loan, 3.01%, 9/24/14		743	633,782
			997,302
Independent Power Producers & Energy Traders 1.0%			
Texas Competitive Electric Holdings Co., LLC (TXU):			
Initial Tranche B-1 Term Loan, 3.79% 4.03%, 10/10/14		205	155,503
Initial Tranche B-2 Term Loan, 3.79% 4.07%, 10/10/14		296	224,518
Initial Tranche B-3 Term Loan, 3.79% 4.03%, 10/10/14		2,558	1,928,166
			2,308,187
Media 1.6%			
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		1,470	1,465,100
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.79%, 6/12/14 (c)		883	804,193
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13		1,375	1,459,219
			3,728,512
Multiline Retail 0.6%			
Hema Holding BV, Mezzanine, 9.15%, 1/29/17 (c)	EUR	1,043	1,216,042
The Neiman Marcus Group, Inc., Term Loan, 2.30%, 4/06/13	USD	225	213,631
			1,429,673
Oil, Gas & Consumable Fuels 1.3%			
Tronox Worldwide LLC:			
Tranche B-1 Term Loan, 11.25%, 9/20/10		1,104	1,112,496
Tranche B-2 Term Loan, 11.25%, 9/20/10		296	298,879
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (c)		2,216	1,756,268
			3,167,643

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Floating Rate Loan Interests (f)	Par (000)	Value
Paper & Forest Products 0.3%		
Verso Paper Finance Holdings LLC, PIK Loan, 6.69% 7.44%, 2/01/13 (c)	USD 1,240	\$ 743,985
Real Estate Management & Development 0.6%		
Realogy Corp.:		
Initial Term Loan B, 3.30% 3.53%, 10/10/13	373	322,075
Synthetic Letter of Credit, 0.11%, 10/10/13	75	64,760
Second Lien Term Facility, 13.50%, 10/15/17	925	975,875
		1,362,710
Specialty Retail 0.2%		
Claire's Stores, Inc., Term Loan B, 3.01% 3.23%, 5/29/14	133	113,398
Michaels Stores, Inc., Term Loan B-1, 2.63% 2.81%, 10/31/13	331	312,138
		425,536
Total Floating Rate Loan Interests 14.3%		33,991,310

Other Interests (i)	Beneficial Interest (000)	
Auto Components 1.9%		
Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests	(j)	4,553,557
Media 0.0%		
Adelphia Escrow	700	70
Adelphia Recovery Trust	878	3,512
		3,582
Total Other Interests 1.9%		4,557,139

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Preferred Stocks	Shares	
Diversified Financial Services 0.9%		
Ally Financial Inc., 7.00% (b)	2,674	2,208,808
Household Durables 0.1%		
Beazer Homes USA, Inc., 7.50% (d)	5,000	99,050
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (a)(b)(f)	34,982	
Total Preferred Stocks 1.0%		2,307,858

Warrants (k)

Health Care Providers & Services 0.0%		
HealthSouth Corp. (Expires 1/16/14)	29,930	1
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b)	39,975	
New Vision Holdings LLC (Expires 9/30/14)	14,965	150
		150
Oil, Gas & Consumable Fuels 0.0%		
Turbo Cayman Ltd. (No Expiration)	1	
Software 0.0%		
HMH Holdings/EduMedia (Expires 3/09/17)	9,997	
Total Warrants 0.0%	151	
Total Long-Term Investments (Cost \$285,578,895) 118.0%		280,727,944

Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempCash, Institutional Class, 0.27% (l)(m)	322,368	\$ 322,368
Total Short-Term Securities (Cost \$322,368) 0.1%		322,368

Options Purchased	Contracts
Over-the-Counter Call Options 0.0%	
Marsico Parent Superholdco LLC, Strike Price USD 942.86, expires 12/21/19, Broker	17

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Goldman Sachs Bank USA

Total Options Purchased		
(Cost \$16,622)	0.0%	
Total Investments (Cost \$285,917,885*)		281,050,312
118.1%		
Liabilities in Excess of Other Assets		(43,199,176)
(18.1)%		
Net Assets		\$ 237,851,136
100.0%		

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 287,104,524
Gross unrealized appreciation	\$ 13,346,589
Gross unrealized depreciation	(19,400,801)
Net unrealized depreciation	\$ (6,054,212)

- (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) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (d) Convertible security.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Variable rate security. Rate shown is as of report date.
- (g) 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.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Amount is less than \$1,000.
- (k) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (l) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at February 28, 2010	Net Activity	Shares Held at August 31, 2010	Income
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BlackRock Liquidity
Funds, TempFund,
Institutional Class

4,931,674 (4,609,306) 322,368 \$ 2,350

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

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2010

15

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

Foreign currency exchange contracts as of August 31, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 763,800	USD 980,728	Citibank NA	9/15/10	\$ (12,823)
USD 16,539,551	EUR 13,056,000	Citibank NA	9/15/10	(5,315)
USD 489,452	EUR 385,000	Deutsche Bank AG	9/15/10	1,571
USD 179,941	CAD 190,000	Deutsche Bank AG	10/20/10	1,906
GBP 114,000	USD 177,834	UBS AG	10/20/10	(3,059)
USD 2,115,757	GBP 1,386,000	Citibank NA	10/20/10	(9,141)
USD 293,808	GBP 192,500	Deutsche Bank AG	10/20/10	(1,317)
USD 178,806	GBP 116,000	Royal Bank of Scotland Plc	10/20/10	964
Total				\$ (27,214)

Financial futures contracts sold as of August 31, 2010 were as follows:

Contracts	Issue	Exchange	Expiration Date	Notional Value	Unrealized Appreciation
26	S&P 500 Index	Chicago Mercantile	September 2010	\$ 6,922,729	\$ 108,779

Credit default swaps on single-name issuers buy protection outstanding as of August 31, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
iStar Financial, Inc.	5.00%	Morgan Stanley Capital Services, Inc.	September 2011	\$ 1,500	\$ 35,889
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	\$ 475	28,246

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K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2013	\$ 925	155,858
Louisiana-Pacific Corp.	5.00%	JPMorgan Chase Bank NA	March 2014	\$ 500	(106,314)
Total					\$ 113,679

Credit default swaps on single-name issuers sold protection outstanding as of August 31, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Texas Competitive Electric Holdings Co. LLC	5.00%	Goldman Sachs International	September 2012	CCC	\$ 475	\$ (42,756)
Realogy Corp.	5.00%	Credit Suisse International	March 2015	C	\$ 100	699
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	March 2015	C	\$ 450	(15,573)
Advanced Micro Devices, Inc.	5.00%	JPMorgan Chase Bank NA	March 2015	B+	\$ 550	(6,161)
Levi Strauss & Co.	5.00%	Citibank NA	June 2015	B+	\$ 360	221
NOVA Chemicals Corp.	5.00%	Goldman Sachs International	June 2015	B+	\$ 350	(6,416)
Levi Strauss & Co.	5.00%	Goldman Sachs International	September 2015	B+	\$ 500	
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	September 2015	C	\$ 125	(450)
Total						\$ (70,436)

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

² The maximum potential amount the Fund may pay should a negative credit 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. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

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

See Notes to Financial Statements.

16 SEMI-ANNUAL REPORT AUGUST 31, 2010

Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

The following tables summarize the inputs used as of August 31, 2010 in determining the fair valuation of the Fund's investments and derivatives:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities:				
Long-Term Investments:				
Common Stocks	\$ 4,022,995	\$ 222,335	\$ 415,993	\$ 4,661,323
Corporate Bonds		230,198,853	5,011,310	235,210,163
Floating Rate Loan Interests		22,125,725	11,865,585	33,991,310
Other Interests		4,553,557	3,582	4,557,139
Preferred Stocks	2,307,858			2,307,858
Warrants			151	151
Short-Term Securities	322,368			322,368
Liabilities:				
Unfunded Loan Commitments			(21,252)	(21,252)
Total	\$ 6,653,221	\$ 257,100,470	\$ 17,275,369	\$ 281,029,060

Derivative Financial Instruments¹

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Credit contracts		\$ 220,913		\$ 220,913
Equity contracts	\$ 108,779			108,779
Foreign currency exchange contracts		4,441		4,441
Liabilities:				
Credit contracts		(177,670)		(177,670)
Foreign currency exchange contracts		(31,655)		(31,655)
Total	\$ 108,779	\$ 16,029		\$ 124,808

¹ Derivative financial instruments are financial futures contracts, swaps and foreign currency exchange contracts. Financial futures contracts, swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

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

Warrants

Total

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	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests		Unfunded Loan Commitments	
Assets/Liabilities:							
Balance, as of February 28, 2010	\$ 75,096	\$ 3,961,360	\$ 19,218,811	\$ 4,212,670	\$ 150	\$ (51,643)	\$ 27,416,444
Accrued discounts/premiums		12,626	79,364				91,990
Net realized gain (loss)		5,192	215,474	311,075	22,463		554,204
Net change in unrealized appreciation/depreciation ²	8,805	(138,594)	852,238	323,519	1	30,391	1,076,360
Purchases		34,239	8,418,054	319,000			8,771,293
Sales			(13,176,786)	(609,125)	(22,463)		(13,808,374)
Transfers in ³	415,922	1,390,000	917,280				2,723,202
Transfers out ³	(83,830)	(253,513)	(4,658,850)	(4,553,557)			(9,549,750)
Balance, as of August 31, 2010	\$ 415,993	\$ 5,011,310	\$ 11,865,585	\$ 3,582	\$ 151	\$ (21,252)	\$ 17,275,369

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on August 31, 2010 was \$249,870.

³ The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2010

17

Schedule of Investments August 31, 2010 (Unaudited)

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

Common Stocks	Shares	Value
Building Products 0.1%		
Masonite Worldwide Holdings (a)	5,365	\$ 203,870
Capital Markets 0.1%		
E*Trade Financial Corp. (a)	29,600	367,336
Chemicals 0.2%		
LyondellBasell Industries NV, Class A (a)	6,388	130,954
LyondellBasell Industries NV, Class B (a)	18,485	378,758
Wellman Holdings, Inc. (a)	1,522	76
		<u>509,788</u>
Commercial Services & Supplies 0.1%		
Air Lease Corp. (a)(b)	12,900	258,000
Communications Equipment 0.5%		
Loral Space & Communications Ltd. (a)	25,022	1,339,678
Construction Materials 0.0%		
Nortek, Inc. (a)	2,145	89,017
Diversified Financial Services 0.0%		
Citigroup, Inc. (a)	1	4
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	70,784	2,194
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (a)	1,099	4,616
Household Durables 0.2%		
Beazer Homes USA, Inc. (a)	153,500	531,110
Machinery 0.2%		
Accuride Corp., Restricted Shares (a)	90,983	100,081
Navistar International Corp. (a)	9,400	393,672
		<u>493,753</u>
Media 0.7%		
Charter Communications, Inc. (a)	16,555	562,870
Gannett Co., Inc.	44,700	540,423
Gray Television, Inc. (a)	162,000	299,700
Sinclair Broadcast Group, Inc., Class A (a)	50,000	299,000

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		1,701,993
Paper & Forest Products 0.3%		
Ainsworth Lumber Co. Ltd. (a)	122,117	286,297
Ainsworth Lumber Co. Ltd. (a)(b)	140,415	329,195
Western Forest Products, Inc. (a)	158,023	43,716
Western Forest Products, Inc. (a)(b)	45,762	12,660
		671,868
Semiconductors & Semiconductor Equipment 0.0%		
SunPower Corp., Class B (a)	778	8,044
Software 0.3%		
HMH Holdings/EduMedia (a)	90,514	452,570
TiVo, Inc. (a)	26,525	208,487
		661,057
Wireless Telecommunication Services 0.1%		
FiberTower Corp. (a)	76,542	274,786
Total Common Stocks 2.8%		7,117,114

Corporate Bonds	Par (000)	Value
Aerospace & Defense 0.4%		
Bombardier, Inc., 7.75%, 3/15/20 (b)	USD 200	\$ 215,000
DynCorp International, Inc., 10.38%, 7/01/17 (b)	230	228,850
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	540	557,550
		1,001,400
Air Freight & Logistics 0.6%		
National Air Cargo Group, Inc.:		
Series 1, 12.38%, 8/16/15	755	755,000
Series 2, 12.38%, 8/16/15	755	755,000
		1,510,000
Airlines 2.9%		
Air Canada (b):		
9.25%, 8/01/15	1,060	1,038,800
12.00%, 2/01/16	280	261,800
American Airlines, Inc., 10.50%, 10/15/12 (b)	940	998,750
American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13	400	418,600
Continental Airlines, Inc.:		
6.75%, 9/15/15 (b)	630	623,700
Series 1997-4-B, 6.90%, 7/02/18 (c)	522	508,827
Series 2001-1-C, 7.03%, 12/15/12	250	249,236
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	1,045	1,097,526
United Air Lines, Inc., 12.75%, 7/15/12	2,082	2,320,895

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7,518,134

Auto Components 1.5%

Allison Transmission, Inc. (b):		
11.00%, 11/01/15	230	247,250
11.25%, 11/01/15 (d)	177	190,275
Delphi International Holdings Unsecured,		
12.00%, 10/06/14	91	89,282
The Goodyear Tire & Rubber Co.:		
8.25%, 8/15/20	440	450,450
8.75%, 8/15/20	250	264,375
Icahn Enterprises LP:		
4.00%, 8/15/13 (b)(e)(f)	255	232,050
8.00%, 1/15/18	2,470	2,457,650
		3,931,332

Beverages 0.1%

Cott Beverages USA, Inc., 8.13%, 9/01/18 (b)		
	264	271,590
Crown European Holdings SA, 7.13%, 8/15/18 (b)	EUR 245	318,238
		589,828

Biotechnology 0.2%

QHP Pharma, 10.25%, 3/15/15 (b)	USD 591	602,400
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Building Products 1.5%

Associated Materials LLC, 9.88%, 11/15/16		
	770	816,200
Building Materials Corp. of America (b):		
6.88%, 8/15/18	530	515,425
7.00%, 2/15/20	620	616,900
Momentive Performance Materials, Inc., Series WI,		
9.75%, 12/01/14	735	717,544
Ply Gem Industries, Inc., 11.75%, 6/15/13	1,180	1,215,400
		3,881,469

Capital Markets 0.7%

E*Trade Financial Corp. (e)(g):		
3.39%, 8/31/19 (b)	244	292,800
Series A, 3.64%, 8/31/19	7	8,400
MU Finance Plc, 8.75%, 2/01/17 (b)	GBP 422	621,312

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds	Par (000)	Value
Capital Markets (concluded)		
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	USD 963	\$ 356,310
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(d)	272	24,452
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(d)	289	26,008
Offshore Group Investments Ltd., 11.50%, 8/01/15 (b)	520	518,700
		1,847,982
Chemicals 3.5%		
American Pacific Corp., 9.00%, 2/01/15	880	870,100
CF Industries, Inc.:		
6.88%, 5/01/18	440	463,100
7.13%, 5/01/20	780	836,550
Chemtura Corp., 7.88%, 9/01/18 (b)	530	541,262
Georgia Gulf Corp., 9.00%, 1/15/17 (b)	165	170,981
Hexion U.S. Finance Corp.:		
9.75%, 11/15/14	790	776,175
8.88%, 2/01/18	765	707,625
Huntsman International LLC (b):		
6.88%, 11/15/13	280	349,508
8.63%, 3/15/20	235	232,944
Ineos Finance Plc, 9.00%, 5/15/15 (b)	420	424,725
Innophos, Inc., 8.88%, 8/15/14	825	845,625
MacDermid, Inc., 9.50%, 4/15/17 (b)	1,260	1,277,325
OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)	555	585,525
Wellman Holdings, Inc., Subordinate Note (e):		
(Second Lien), 10.00%, 1/29/19 (b)	844	734,280
(Third Lien), 5.00%, 1/29/19 (d)	276	107,749
		8,923,474
Commercial Banks 3.1%		
CIT Group, Inc.:		
7.00%, 5/01/16	3,076	2,922,662
7.00%, 5/01/17	5,170	4,861,488
Glitnir Banki HF (a)(h):		
4.15%, 4/20/10 (b)	111	31,635
6.38%, 9/25/12 (b)	500	142,500
Series EMTN, 5.07%, 1/27/10	EUR 50	17,741
Series EMTN, 3.00%, 6/30/10	45	15,967
Series GMTN, 4.38%, 2/05/10	50	17,742
		8,009,735

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Commercial Services & Supplies 1.0%			
ACCO Brands Corp., 10.63%, 3/15/15	USD	250	275,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		585	637,650
Scientific Games International, Inc., 9.25%, 6/15/19		230	243,800
West Corp., 11.00%, 10/15/16		1,290	1,354,500
			2,510,950

Construction Materials 1.0%			
Nortek, Inc., 11.00%, 12/01/13		2,395	2,523,239

Consumer Finance 1.0%			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)		680	704,650
Ford Motor Credit Co. LLC: 3.28%, 1/13/12 (f)		215	210,700
7.80%, 6/01/12		200	210,468
8.00%, 12/15/16		180	195,468
6.63%, 8/15/17		1,260	1,280,629
			2,601,915

Corporate Bonds		Par (000)		Value
Containers & Packaging 3.2%				
Ball Corp., 6.75%, 9/15/20	USD	525	\$	552,562
Berry Plastics Corp.:				
8.88%, 9/15/14		810		771,525
8.25%, 11/15/15		135		135,338
9.50%, 5/15/18 (b)		435		400,200
Berry Plastics Holding Corp., 8.88%, 9/15/14		2,470		2,352,675
Graphic Packaging International, Inc., 9.50%, 6/15/17		840		894,600
Impress Holdings BV, 3.65%, 9/15/13 (b)(f)		420		396,900
Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14	EUR	155		198,388
Pregis Corp., 12.38%, 10/15/13	USD	1,200		1,200,000
Smurfit Kappa Acquisitions (b):				
7.25%, 11/15/17		495		639,835
7.75%, 11/15/19		470		610,498
				8,152,521

Diversified Consumer Services 1.2%			
Service Corp. International, 7.00%, 6/15/17		3,000	3,105,000

Diversified Financial Services 6.9%			
Ally Financial Inc. (b):			
8.30%, 2/12/15		1,990	2,069,600
7.50%, 9/15/20		1,910	1,890,900
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		995	996,244
FCE Bank Plc:			
7.88%, 2/15/11		700	1,086,973
7.13%, 1/16/12		1,800	2,360,888
7.13%, 1/15/13		1,050	1,377,184
GMAC, Inc.:			
7.50%, 12/31/13		280	285,950
2.74%, 12/01/14 (f)		394	338,732

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8.00%, 3/15/20 (b)	3,180	3,259,500
Leucadia National Corp., 8.13%, 9/15/15	1,175	1,251,375
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)	1,460	1,470,950
Reynolds Group Issuer, Inc. (b):		
7.75%, 10/15/16	400	514,499
8.50%, 5/15/18	775	744,000
		17,646,795
Diversified Telecommunication Services 4.5%		
Broadview Networks Holdings, Inc., 11.38%, 9/01/12	1,035	1,014,300
Frontier Communications Corp.:		
7.88%, 4/15/15	630	664,650
8.25%, 4/15/17	800	846,000
8.50%, 4/15/20	350	371,438
GCI, Inc., 8.63%, 11/15/19	1,200	1,260,000
ITC Deltacom, Inc., 10.50%, 4/01/16	540	531,900
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)	215	225,750
Qwest Communications International, Inc.:		
7.50%, 2/15/14	2,020	2,057,875
8.00%, 10/01/15 (b)	600	645,000
Series B, 7.50%, 2/15/14	1,450	1,477,187
Qwest Corp.:		
7.63%, 6/15/15	525	589,312
8.38%, 5/01/16	680	792,200
Windstream Corp.:		
8.13%, 8/01/13	460	490,475
7.88%, 11/01/17	630	639,450
		11,605,537

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds	Par (000)	Value
Energy Equipment & Services 1.9%		
Compagnie Générale de Géophysique-Veritas: 7.50%, 5/15/15	USD 1,315	\$ 1,301,850
7.75%, 5/15/17	320	317,600
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	1,835	1,715,725
Global Geophysical Services, Inc., 10.50%, 5/01/17 (b)	310	306,900
North American Energy Alliance LLC, 10.88%, 6/01/16 (b)	665	718,200
Thermon Industries, Inc., 9.50%, 5/01/17 (b)	555	568,875
		4,929,150
Food & Staples Retailing 0.9%		
AmeriQual Group LLC, 9.50%, 4/01/12 (b)	800	784,000
Rite Aid Corp.: 9.75%, 6/12/16	410	435,625
10.25%, 10/15/19	670	688,425
8.00%, 8/15/20 (b)	530	526,688
		2,434,738
Food Products 0.5%		
B&G Foods, Inc., 7.63%, 1/15/18	220	226,325
Reddy Ice Corp., 11.25%, 3/15/15 (b)	440	446,050
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	460	513,475
TreeHouse Foods, Inc., 7.75%, 3/01/18	160	169,200
		1,355,050
Health Care Equipment & Supplies 1.4%		
DJO Finance LLC, 10.88%, 11/15/14	2,455	2,629,919
Hologic, Inc., 2.00%, 12/15/37 (e)(i)	955	863,081
		3,493,000
Health Care Providers & Services 4.9%		
American Renal Holdings, 8.38%, 5/15/18 (b)	280	280,000
Gentiva Health Services, Inc., 11.50%, 9/01/18 (b)	710	734,850
HCA, Inc.: 9.13%, 11/15/14	1,785	1,874,250
8.50%, 4/15/19	1,020	1,118,175
7.25%, 9/15/20	2,315	2,419,175
inVentiv Health Inc., 10.00%, 8/15/18 (b)	650	635,375
Omnicare, Inc., 7.75%, 6/01/20	500	500,000

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Tenet Healthcare Corp.:		
9.00%, 5/01/15	1,799	1,915,935
10.00%, 5/01/18	644	724,500
8.88%, 7/01/19	2,279	2,464,169
		12,666,429

Health Care Technology 1.1%		
IMS Health, Inc., 12.50%, 3/01/18 (b)	2,405	2,786,794

Hotels, Restaurants & Leisure 2.3%		
Diamond Resorts Corp., 12.00%, 8/15/18 (b)	1,190	1,124,550
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 425	537,963
Harrah's Operating Co., Inc., 11.25%, 6/01/17	USD 660	706,200
Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(h)	1,550	678,125
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(h)	1,290	435,375
MGM Mirage, 13.00%, 11/15/13	110	127,050
MGM Resorts International:		
10.38%, 5/15/14	255	277,950
11.13%, 11/15/17	820	916,350
Marina District Finance Co., Inc., 9.88%, 8/15/18 (b)	370	369,075

Corporate Bonds	Par (000)	Value
Hotels, Restaurants & Leisure (concluded)		
Travelport LLC:		
5.16%, 9/01/14 (f)	USD 160	\$ 148,400
9.88%, 9/01/14	210	214,725
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(h)	305	223
Virgin River Casino Corp., 9.00%, 1/15/12 (a)(h)	940	423,000
		5,958,986

Household Durables 3.5%		
Beazer Homes USA, Inc.:		
6.88%, 7/15/15	185	160,025
8.13%, 6/15/16	315	275,625
12.00%, 10/15/17	1,345	1,514,806
9.13%, 6/15/18	1,770	1,566,450
DFS Furniture Holdings Plc, 9.75%, 7/15/17 (b)	GBP 208	299,061
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	USD 1,725	1,673,250
Ryland Group Inc., 6.63%, 5/01/20	675	632,812
Standard Pacific Corp.:		
9.25%, 4/15/12	135	138,544
6.25%, 4/01/14	365	340,363
7.00%, 8/15/15	265	243,800
10.75%, 9/15/16	1,390	1,462,975
8.38%, 5/15/18	605	582,313
		8,890,024

Independent Power Producers & Energy Traders 2.8%		
The AES Corp., 8.75%, 5/15/13 (b)	450	457,313
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,260	1,323,000

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Energy Future Holdings Corp., 10.00%, 1/15/20 (b)	3,395	3,269,395
Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20	174	167,211
NRG Energy, Inc.:		
7.25%, 2/01/14	1,275	1,300,500
7.38%, 2/01/16	270	272,025
7.38%, 1/15/17	400	403,000

7,192,444

Industrial Conglomerates 2.5%

Sequa Corp. (b):		
11.75%, 12/01/15	2,340	2,410,200
13.50%, 12/01/15 (d)	3,954	4,112,171

6,522,371

Insurance 0.9%

Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,700	1,744,625
USI Holdings Corp., 4.25%, 11/15/14 (b)(f)	680	576,300

2,320,925

Leisure Equipment & Products 0.4%

Brunswick Corp., 11.25%, 11/01/16 (b)	795	908,288
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Life Sciences Tools & Services 0.2%

Patheon, Inc., 8.63%, 4/15/17 (b)	585	582,806
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Machinery 1.7%

AGY Holding Corp., 11.00%, 11/15/14	980	833,000
Accuride Corp., 7.50%, 2/26/20 (d)(e)	10	24,627
Navistar International Corp.:		
3.00%, 10/15/14 (e)	1,900	2,073,375
8.25%, 11/01/21	1,000	1,047,500
Oshkosh Corp., 8.25%, 3/01/17	140	147,350
Titan International, Inc., 5.63%, 1/15/17 (b)(e)	240	285,600

4,411,452

Marine 0.7%

Horizon Lines, Inc., 4.25%, 8/15/12 (e)	2,230	1,873,200
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See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Media 12.7%			
Affinion Group, Inc.:			
10.13%, 10/15/13	USD	2,445	\$ 2,506,125
10.13%, 10/15/13		765	782,212
CCH II LLC, 13.50%, 11/30/16		543	643,098
CCO Holdings LLC (b):			
7.88%, 4/30/18		470	486,450
8.13%, 4/30/20		470	494,675
CMP Susquehanna Corp., 3.64%, 5/15/14 (b)(f)		160	3,200
CSC Holdings, Inc., 8.50%, 4/15/14		390	426,075
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(d)		610	652,700
Clear Channel Worldwide Holdings, Inc.:			
9.25%, 12/15/17		835	866,312
Series B, 9.25%, 12/15/17		4,240	4,446,700
Cox Enterprises, Inc.:			
Loan Close 2, 4.00%, 8/15/18		636	635,530
Loan Close 3, 4.00%, 8/15/18		735	735,000
Shares Loan, 4.00%, 8/15/18		749	749,372
DISH DBS Corp., 7.00%, 10/01/13		90	93,713
Gray Television, Inc., 10.50%, 6/29/15		455	437,938
Harland Clarke Holdings Corp.:			
6.00%, 5/15/15 (f)		350	294,000
9.50%, 5/15/15		420	400,050
Intelsat Corp., 9.25%, 6/15/16		2,120	2,247,200
Interactive Data Corp., 10.25%, 8/01/18 (b)		1,030	1,068,625
Liberty Global, Inc., 4.50%, 11/15/16 (b)(e)		470	575,750
Liberty Media Corp., 3.13%, 3/30/23 (e)		1,113	1,210,387
Lighthouse International Co. SA:			
8.00%, 4/30/14	EUR	546	408,232
8.00%, 4/30/14 (b)		67	50,094
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	USD	650	627,250
McClatchy Co., 11.50%, 2/15/17 (b)		1,395	1,440,337
Nielsen Finance LLC:			
11.63%, 2/01/14		180	201,825
10.00%, 8/01/14		2,145	2,252,250
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h)		850	807,410
Rainbow National Services LLC (b):			
8.75%, 9/01/12		440	440,550
10.38%, 9/01/14		1,582	1,641,325
Regal Entertainment Group, 9.13%, 8/15/18		335	343,375
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	136	160,282
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	1,330	1,270,150
UPC Germany GmbH (b):			
8.13%, 12/01/17		755	775,762
8.13%, 12/01/17	EUR	441	570,035
9.63%, 12/01/19		570	756,644
UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500	520,625
Unitymedia GmbH, 9.63%, 12/01/19	EUR	168	223,011

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Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)	388	499,069
		32,743,338

Metals & Mining 4.0%

AK Steel Corp., 7.63%, 5/15/20	USD	20	20,150
Aleris International, Inc. (a)(h):			
9.00%, 12/15/14		1,035	2,070
10.00%, 12/15/16		800	304
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		875	915,469
7.38%, 2/15/16		225	225,281
FMG Finance Property Ltd. (b):			
10.00%, 9/01/13		535	589,169
10.63%, 9/01/16		1,180	1,367,325
Foundation PA Coal Co., 7.25%, 8/01/14		1,975	1,979,937
GoldCorp, Inc., 2.00%, 8/01/14 (e)		665	808,806
McJunkin Red Man Corp., 9.50%, 12/15/16 (b)		605	533,913
Murray Energy Corp., 10.25%, 10/15/15 (b)		520	531,700

Corporate Bonds		Par (000)	Value
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Metals & Mining (concluded)

New World Resources NV:			
7.38%, 5/15/15	EUR	255	\$ 316,686
7.88%, 5/01/18		190	243,185
7.88%, 5/01/18 (b)		210	268,784
Novelis, Inc., 11.50%, 2/15/15	USD	430	473,000
Ryerson, Inc.:			
7.84%, 11/01/14 (f)		400	371,000
12.00%, 11/01/15		265	272,619
Steel Dynamics, Inc., 7.38%, 11/01/12		260	276,250
United States Steel Corp., 7.38%, 4/01/20		520	526,500
Vedanta Resources Plc, 9.50%, 7/18/18 (b)		640	672,000
			10,394,148

Multiline Retail 2.5%

Dollar General Corp.:			
10.63%, 7/15/15		1,393	1,528,817
11.88%, 7/15/17 (d)		4,351	5,003,650
			6,532,467

Oil, Gas & Consumable Fuels 8.3%

Arch Coal, Inc.:			
8.75%, 8/01/16		55	59,538
7.25%, 10/01/20		855	867,825
Atlas Energy Operating Co. LLC:			
12.13%, 8/01/17		500	574,375
10.75%, 2/01/18		260	286,650
Berry Petroleum Co., 8.25%, 11/01/16		510	515,100
Bill Barrett Corp., 9.88%, 7/15/16		45	48,825
Chesapeake Energy Corp.:			
6.63%, 8/15/20		2,360	2,368,850
2.25%, 12/15/38 (e)		800	599,000
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)		295	303,113
Connacher Oil and Gas Ltd. (b):			
11.75%, 7/15/14		175	189,875

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10.25%, 12/15/15	1,145	1,145,000
Consol Energy, Inc., 8.25%, 4/01/20 (b)	1,990	2,111,887
Crosstex Energy LP, 8.88%, 2/15/18	405	418,163
Denbury Resources, Inc., 8.25%, 2/15/20	737	786,747
Linn Energy LLC, 8.63%, 4/15/20 (b)	1,100	1,160,500
Massey Energy Co., 6.88%, 12/15/13	945	956,812
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)	1,870	1,968,175
OPTI Canada, Inc. (b):		
9.00%, 12/15/12	1,735	1,739,337
9.75%, 8/15/13	975	962,812
Patriot Coal Corp., 8.25%, 4/30/18	420	416,850
Peabody Energy Corp., 6.50%, 9/15/20	1,100	1,156,375
Petrohawk Energy Corp.:		
10.50%, 8/01/14	555	620,213
7.88%, 6/01/15	460	477,250
QEP Resources, Inc., 6.88%, 3/01/21	450	469,125
Range Resources Corp., 8.00%, 5/15/19	400	428,000
Teekay Corp., 8.50%, 1/15/20	660	704,550
		21,334,947
Paper & Forest Products 2.9%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d)	1,134	969,671
Boise Paper Holdings LLC:		
9.00%, 11/01/17	330	347,325
8.00%, 4/01/20	165	167,888
Clearwater Paper Corp., 10.63%, 6/15/16	390	438,750
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	1,600	1,752,000
Glatfelter, 7.13%, 5/01/16 (b)	210	211,312
NewPage Corp., 11.38%, 12/31/14	3,150	2,559,375
Verso Paper Holdings LLC, 11.50%, 7/01/14	840	886,200
		7,332,521

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Pharmaceuticals 0.6%			
Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (f)	USD	1,050	\$ 847,875
Elan Finance Plc, 8.88%, 12/01/13		105	105,787
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	630	670,629
			<u>1,624,291</u>
Real Estate Management & Development 0.5%			
Forest City Enterprises, Inc., 7.63%, 6/01/15	USD	1,425	1,300,313
Road & Rail 0.9%			
Avis Budget Car Rental LLC, 9.63%, 3/15/18		510	532,950
Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)	EUR	710	935,738
Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)	USD	820	801,550
			<u>2,270,238</u>
Semiconductors & Semiconductor Equipment 0.2%			
Advanced Micro Devices, Inc.:			
6.00%, 5/01/15 (e)		138	135,068
7.75%, 8/01/20 (b)		285	282,150
			<u>417,218</u>
Software 0.0%			
BMS Holdings, Inc., 8.59%, 2/15/12 (b)(d)(f)		477	9,542
Specialty Retail 1.6%			
Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)(i)		1,055	803,119
Hillman Group, Inc., 10.88%, 6/01/18 (b)		530	557,825
Ltd. Brands, Inc., 8.50%, 6/15/19		785	887,050
Sonic Automotive, Inc., 9.00%, 3/15/18		370	376,475
Toys R Us-Delaware, Inc., 7.38%, 9/01/16 (b)		420	424,200
United Auto Group, Inc., 7.75%, 12/15/16		1,025	978,875
			<u>4,027,544</u>
Textiles, Apparel & Luxury Goods 0.2%			
Quiksilver, Inc., 6.88%, 4/15/15		530	490,250
Tobacco 0.1%			
Vector Group Ltd., 11.00%, 8/15/15		325	331,094
Wireless Telecommunication Services 4.9%			

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Cricket Communications, Inc.:		
10.00%, 7/15/15	1,890	1,979,775
7.75%, 5/15/16	220	227,150
Digicel Group Ltd. (b):		
8.88%, 1/15/15	700	705,250
9.13%, 1/15/15 (d)	1,783	1,791,915
8.25%, 9/01/17	870	903,712
10.50%, 4/15/18	500	536,250
FiberTower Corp., 9.00%, 1/01/16 (d)	293	249,068
iPCS, Inc., 2.59%, 5/01/13 (f)	815	762,025
MetroPCS Wireless, Inc., 9.25%, 11/01/14	2,405	2,501,200
Nextel Communications, Inc.:		
Series E, 6.88%, 10/31/13	1,170	1,167,075
Series F, 5.95%, 3/15/14	110	106,288
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)	275	261,250
Sprint Capital Corp., 6.88%, 11/15/28	1,790	1,494,650
		12,685,608
Total Corporate Bonds 98.4%		253,780,887

Floating Rate Loan Interests (f)

Auto Components 1.0%

Affinion Group Holdings, Inc., Term Loan, 8.51%, 3/01/12 (d)	455	436,988
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14	2,213	2,039,026
		2,476,014

Floating Rate Loan Interests (f)	Par (000)	Value
Automobiles 1.3%		
Ford Motor Co., Tranche B-1 Term Loan, 3.03%, 12/15/13	USD 3,592	\$ 3,455,826
Building Products 1.3%		
CPG International I, Inc., Term Loan, 5.54%, 2/28/11	3,234	3,233,668
Capital Markets 0.1%		
Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14	377	261,514
Chemicals 0.1%		
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14	376	343,728
Commercial Services & Supplies 0.9%		
AWAS Finance Luxembourg Sarl, Term Loan, 7.75%, 6/10/16	1,000	1,005,833
Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16	550	552,979
International Lease Finance Corp., Term Loan 1, 6.75%, 3/17/15	750	755,938

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			2,314,750
Construction & Engineering 0.8%			
Safeway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17		2,000	2,000,000
Consumer Finance 1.7%			
American General Finance Corp., Term Loan, 7.25%, 4/21/15		4,250	4,199,531
DaimlerChrysler Financial Services Americas LLC, Term Loan (Second Lien), 6.78%, 8/05/13		250	249,113
			4,448,644
Diversified Telecommunication Services 1.7%			
Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14	EUR	3,460	4,375,781
Electric Utilities 0.5%			
New Development Holdings, LLC, Term Loan, 7.00%, 7/03/17	USD	1,350	1,363,500
Health Care Providers & Services 0.7%			
Harden Healthcare LLC:			
Add-on Term Loan, 7.75%, 3/02/15		525	514,500
Tranche A Term Loan, 8.50%, 2/22/15		495	485,545
inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16		900	898,313
			1,898,358
Hotels, Restaurants & Leisure 1.2%			
Travelpport LLC (FKA Travelpport, Inc.), Loan, 8.37%, 3/27/12 (d)		3,334	3,100,402
IT Services 0.4%			
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14		284	242,384
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14		408	348,130
Initial Tranche B-3 Term Loan, 3.01%, 9/24/14		595	507,148
			1,097,662
Independent Power Producers & Energy Traders 1.0%			
Texas Competitive Electric Holdings Co., LLC (TXU):			
Initial Tranche B-1 Term Loan, 3.79% 4.03%, 10/10/14		215	162,909
Initial Tranche B-2 Term Loan, 3.79% 4.07%, 10/10/14		255	193,115
Initial Tranche B-3 Term Loan, 3.79% 4.03%, 10/10/14		2,807	2,115,640
			2,471,664
Media 1.6%			
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		1,715	1,709,284

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HMH Publishing Co., Ltd., Tranche A Term Loan,
5.79%, 6/12/14 (d)

958

872,304

See Notes to Financial Statements.

22 SEMI-ANNUAL REPORT AUGUST 31, 2010

Schedule of Investments (continued)

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

Floating Rate Loan Interests (f)	Par (000)	Value
Media (concluded)		
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	USD 1,325	\$ 1,406,156
Protostar Ltd., Debtor in Possession Term Loan, 18.00%, 10/26/10 (d)	159	158,820
		<u>4,146,564</u>
Multiline Retail 0.1%		
The Neiman Marcus Group, Inc., Term Loan, 2.30%, 4/06/13	244	231,433
Oil, Gas & Consumable Fuels 1.3%		
Tronox Worldwide LLC:		
Tranche B-1 Term Loan, 11.25%, 9/20/10	1,261	1,271,424
Tranche B-2 Term Loan, 11.25%, 9/20/10	339	341,576
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (d)	2,322	1,839,899
		<u>3,452,899</u>
Paper & Forest Products 0.3%		
Verso Paper Finance Holdings LLC, PIK Loan, 6.69% 7.44%, 2/01/13 (d)	1,340	804,059
Real Estate Management & Development 0.6%		
Realogy Corp.:		
Initial Term Loan B, 3.30% 3.53%, 10/10/13	398	343,264
Synthetic Letter of Credit, 0.11%, 10/10/13	81	70,156
Second Lien Term Facility, 13.50%, 10/15/17	1,000	1,055,000
		<u>1,468,420</u>
Specialty Retail 0.2%		
Claire's Stores, Inc., Term Loan B, 3.01% 3.23%, 5/29/14	137	117,564
Michaels Stores, Inc., Term Loan B-1, 2.63% 2.81%, 10/31/13	355	334,433
		<u>451,997</u>
Wireless Telecommunication Services 0.7%		
Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15	1,750	1,750,000
Total Floating Rate Loan Interests 17.5%		<u>45,146,883</u>

Other Interests (j)	Beneficial Interest (000)	
Auto Components 2.0%		
Delphi Debtor-in-Possession Holding Co. LLP		
Class B Membership Interests	(k)	5,037,660
Lear Corp. Escrow	460	5,750
		5,043,410
Hotels, Restaurants & Leisure 0.0%		
Buffets, Inc.	575	58
Media 0.0%		
Adelphia Escrow	750	75
Adelphia Recovery Trust	941	3,762
		3,837
Total Other Interests 2.0%		5,047,305

Preferred Stocks	Shares	
Auto Components 0.1%		
Dana Holding Corp., 4.00% (b)(e)	2,200	210,100
Diversified Financial Services 1.5%		
Ally Financial Inc., 7.00% (b)	3,245	2,680,472
Citigroup, Inc., 7.50% (e)	11,000	1,258,950
		3,939,422

Preferred Stocks	Shares	Value
Household Durables 0.1%		
Beazer Homes USA, Inc., 7.50% (e)	10,132	\$ 200,715
Media 0.2%		
CMP Susquehanna Radio Holdings Corp. (a)(b)(f)	37,314	
TRA Global, Inc. (a)	286,652	463,144
		463,144
Real Estate Investment Trusts (REITs) 0.0%		
MPG Office Trust, Inc., Series A, 7.63% (a)	8,994	97,045
Thriffs & Mortgage Finance 0.0%		
Fannie Mae, Series O (a)	30,000	12,300

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Freddie Mac, Series Z (a)	75,961	25,067
		<u>37,367</u>
Total Preferred Stocks 1.9%		4,947,793

Warrants (I)

Containers & Packaging 0.0%		
MDP Acquisitions Plc (Expires 10/01/13)	700	31,460
Health Care Providers & Services 0.0%		
HealthSouth Corp. (Expires 1/16/14)	32,042	
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	485	5
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b)	42,640	1
New Vision Holdings LLC (Expires 9/30/14)	22,447	224
		<u>225</u>
Oil, Gas & Consumable Fuels 0.0%		
Turbo Cayman Ltd. (No Expiration)	1	
Software 0.0%		
HMH Holdings/EduMedia (Expires 3/09/17)	11,225	
Total Warrants 0.0%		31,690

Total Long-Term Investments
(Cost \$321,408,636) 122.6%