

BLACKROCK DEBT STRATEGIES FUND, INC.  
Form N-CSR  
May 03, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number: 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 02/28/2017

Date of reporting period: 02/28/2017

Item 1 Report to Stockholders

FEBRUARY 28, 2017

ANNUAL REPORT

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

**Not FDIC Insured   May Lose Value   No Bank Guarantee**

## The Markets in Review

Dear Shareholder,

Risk assets, such as stocks and high yield bonds, enjoyed strong performance in the 12 months ended February 28, 2017. It was a different story for higher-quality assets such as U.S. Treasuries, which generated muted returns after struggling in the latter part of 2016 as reflationary expectations in the United States helped drive a pick-up in global growth and investors braced for higher interest rates.

Markets showed great resilience during the period. Big surprises such as the United Kingdom's vote to leave the European Union and the outcome of the U.S. presidential election brought spikes in equity market volatility, but they were ultimately short-lived. Instead, investors used the sell-offs to seize upon buying opportunities, allowing markets to quickly rebound. We believe this reinforces the case for taking the long view rather than reacting to short-term market noise.

The global reflationary theme—rising nominal growth, wages and inflation—was the dominant driver of asset returns during the period, outweighing significant political upheavals and uncertainty. This trend accelerated after the U.S. election and continued into the beginning of 2017, stoked by expectations for an extra boost to U.S. growth via fiscal policy.

Although economic momentum is gaining traction, the capacity for rapid global growth is restrained by structural factors including an aging population, low productivity growth and excess savings. A tempered economic growth trend and high valuations across most assets have set the stage for muted investment returns going forward.

Equity markets still have room to move, although the disparity between winners and losers is widening, making selectivity increasingly important. Fixed income investors are also facing challenges as bond markets recalibrate to accommodate rising rates and higher inflation expectations. And in a world where political risk and policy uncertainty abound, there is no lack of potential catalysts for higher volatility.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [blackrock.com](http://blackrock.com) for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of February 28, 2017

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	10.01%	24.98%
U.S. small cap equities (Russell 2000® Index)	12.61	36.11
International equities (MSCI Europe, Australasia, Far East Index)	4.90	15.75
Emerging market equities (MSCI Emerging Markets Index)	5.51	29.46
	0.22	0.39

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3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)		
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	(6.17)	(4.09)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	(2.19)	1.42
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(2.51)	0.76
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	5.43	21.83

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

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## Fund Summary as of February 28, 2017

### Fund Overview

BlackRock Debt Strategies Fund, Inc. s (DSU) (the Fund ) primary investment objective is to seek to provide current income by investing primarily in a diversified portfolio of U.S. 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 s or Baa or lower by Moody s) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. The Fund may invest directly in debt instruments or synthetically through the use of derivatives. The Fund s secondary objective is to provide capital appreciation.

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

### Fund Information

Symbol on New York Stock Exchange ( NYSE )	DSU
Initial Offering Date	March 27, 1998
Current Distribution Rate on Closing Market Price as of February 28, 2017 (\$11.68) <sup>1</sup>	6.47%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.063
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.756
Economic Leverage as of February 28, 2017 <sup>3</sup>	29%

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a return of capital. Past performance does not guarantee future results.

<sup>2</sup> The monthly distribution per Common Share, declared on March 1, 2017, was increased to \$0.0685 per share. The current distribution rate on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future. A portion of the distribution may be deemed a return of capital or net realized gain.

<sup>3</sup> Represents bank borrowings 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 6.

### Performance and Portfolio Management Commentary

Returns for the 12 months ended February 28, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
DSU <sup>1,2</sup>	25.53%	19.57%
Lipper High Yield Funds (Leveraged) <sup>3</sup>	32.93%	27.73%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>2</sup> The Fund s discount to NAV narrowed during the period, which accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles. The following discussion relates to the Fund's absolute performance based on NAV:

**What factors influenced performance?**

The Fund generally invests about 50% of its assets in high yield bonds and about 50% in floating rate loan interests (bank loans). On a sector basis, the largest contributors over the annual period included the independent energy, metals & mining, and wireless sectors, while the smallest contributors were in health care, retail real estate investment trusts and tobacco. From a credit rating perspective, B-rated, BB-rated and CCC-rated names were the largest contributors, as the lower credit quality portions of both the high yield and bank loan markets drove a rally across both asset classes. By contrast, the Fund's allocation to AAA-rated and AA-rated positions represented the smallest positive contributors. Lastly, non-benchmark tactical positions were substantial positive contributors to performance, in particular high yield exchange-traded funds and long equity positions.

For the period, on a sector basis the electric sector was the only detractor, driven mainly by security selection. In terms of credit ratings, CC-rated and C-rated names were slight detractors. From an asset allocation perspective, there were no absolute detractors over the annual period from core high yield bond or bank loan holdings, or non-benchmark tactical allocations.

**Describe recent portfolio activity.**

The Fund's positioning was more conservative in early 2016 as markets continued to be plagued by significant volatility deriving from stress within commodity-related assets, muted global growth prospects and uncertainty regarding central bank policies. However, the Fund gradually increased its risk level over the period as volatility subsided and risk markets started to stabilize. During the period, the Fund utilized leverage of between 20% and 30% as a percentage of its total managed assets.

**Describe portfolio positioning at period end.**

The Fund's largest issuer overweights included Altice (wireless), First Data Corp. (technology), and iHeartCommunications, Inc. (media & entertainment). From a credit rating perspective, the Fund held overweights in BB-rated, B-rated and high conviction CCC-rated names. By contrast, issues rated CC and below were slightly underweight. Issuer selection remained centered on favorable cash flows, identification of a specific catalyst for price improvement, and/or idiosyncratic characteristics. The Fund also remained focused on industries and companies with stable business profiles and consistent cash flow, while avoiding areas of the markets with longer-term concerns and/or deteriorating fundamental trends.

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.



**Market Price and Net Asset Value Per Share Summary<sup>1</sup>**

	<b>2/28/17</b>	<b>2/29/16</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$11.68	\$9.96	17.27%	\$11.68	\$9.93
Net Asset Value	\$12.70	\$11.38	11.60%	\$12.70	\$11.38

<sup>1</sup> Market price and net asset value per share reflect a one-for-three reverse stock split effective after the close of trading on November 15, 2016 for the shareholders of record on November 15, 2016. See Note 11 of the Notes to Consolidated Financial Statements for details.

**Market Price and Net Asset Value History For the Past Five Years**

**Overview of the Fund's Total Investments**

<b>Portfolio Composition</b>	<b>2/28/17</b>	<b>2/29/16</b>
Corporate Bonds	49%	45%
Floating Rate Loan Interests	47	49
Asset-Backed Securities	2	3
Investment Companies	1	2
Preferred Securities	1	<sup>1</sup>
Other <sup>2</sup>		
Short-Term Securities		1

<sup>1</sup> Representing less than 1% of the Fund's total investments.

<sup>2</sup> Includes a less than 1% holding in each of the following investment types: Common Stocks, Non-Agency Mortgage-Backed Securities, Options Purchased, Other Interests, Rights and Warrants.

<b>Credit Quality Allocation<sup>3,4</sup></b>	<b>2/28/17</b>	<b>2/29/16</b>
BBB/Baa	8%	9%
BB/Ba	42	43
B	39	37
CCC/Caa	6	5
N/R	5	6

<sup>3</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's or Moody's Investors Service. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>4</sup> Excludes Short-Term Securities.



## The Benefits and Risks of Leveraging

The Fund may utilize leverage to seek to enhance the distribution rate on, and net asset value ( NAV ) of, its common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by the Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's shareholders 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.

To illustrate these concepts, assume the Fund's capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Fund's financing cost of leverage is significantly lower than the income earned on the Fund's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Fund's return on assets purchased with leverage proceeds, income to shareholders is lower than if the Fund had not used leverage. 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 value of the Fund's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Fund's intended leveraging strategy will be successful.

The use of leverage also generally causes greater changes in the Fund's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of the Fund's shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Fund incurs expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shareholders. Moreover, to the extent the calculation of the Fund's investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Fund's investment adviser will be higher than if the Fund did not use leverage.

The Fund may utilize leverage through a credit facility as described in the Notes to Consolidated Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Fund is permitted to issue debt up to  $\frac{2}{3}$  of its total managed assets. The Fund may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, the Fund may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

## Derivative Financial Instruments

The Fund may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other asset without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the

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transaction or illiquidity of the instrument. The Fund's successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund's investments in these instruments, if any, are discussed in detail in the Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments February 28, 2017

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
<b>Chemicals 0.0%</b>		
GEO Specialty Chemicals, Inc. (a)	557,488	\$ 111,498
GEO Specialty Chemicals, Inc. (a)(b)	481,806	96,361
LyondellBasell Industries NV, Class A	26	2,372
		210,231
<b>Diversified Financial Services 0.3%</b>		
Kcad Holdings I Ltd. (a)	1,075,282,733	2,311,858
<b>Diversified Telecommunication Services 0.0%</b>		
Broadview Networks Holdings, Inc. (a)	5,037	6,296
<b>Electric Utilities 0.1%</b>		
Vistra Energy Corp.	39,599	639,920
<b>Health Care Management Services 0.0%</b>		
New Millennium HoldCo, Inc. (a)	10,718	11,393
<b>Media 0.0%</b>		
Adelphia Communications Corp., Class A (a)	400,000	
Adelphia Recovery Trust (a)	396,568	79
		79
<b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>		
SunPower Corp. (a)	1,707	14,954
<b>Specialty Retail 0.0%</b>		
Things Remembered, Inc. (a)	1,199,043	12
<b>Total Common Stocks 0.4%</b>		3,194,743

Asset-Backed Securities	Par (000)	Value
<b>Asset-Backed Securities 3.3%</b>		
ACAS CLO Ltd., Series 2015-1A, Class D, 4.67%, 4/18/27 (b)(c)	USD 280	272,412
ALM XIV Ltd., Series 2014-14A, Class C, 4.49%, 7/28/26 (b)(c)	463	460,553
Apidos CDO, Series 2015-21A, Class C, 4.57%, 7/18/27 (b)(c)	250	250,060
Ares CLO Ltd., Class D (b)(c): Series 2015-38A, 5.17%, 1/20/27	1,000	1,003,767
Series 2016-41A, 5.09%, 1/15/29	450	451,830
Arrowpoint CLO Ltd., Series 2013-1A, Class CR, 5.51%, 11/15/28 (b)(c)	800	800,000
Atlas Senior Loan Fund VI Ltd., Series 2014-6A, Class DR, 4.63%, 10/15/26 (b)(c)	1,000	1,000,544
Atrium CDO Corp., Series 9A, Class D, 4.55%, 2/28/24 (b)(c)	1,300	1,303,245
BlueMountain CLO Ltd., Series 2015-2A, Class E, 6.37%, 7/18/27 (b)(c)	250	239,743
Burnham Park CLO Ltd., Series 2016-1A, Class D, 4.71%, 10/20/29 (b)(c)	1,000	1,003,910
Carlyle Global Market Strategies CLO Ltd. (b)(c): Series 2012-4A, Class DR, 5.13%, 1/20/29	1,000	1,000,000
Series 2013-1A, Class C, 5.04%, 2/14/25	250	250,696
Series 2014-1A, Class CR, 3.77%, 4/17/25	1,500	1,509,888

Asset-Backed Securities	Par (000)	Value
<b>Asset-Backed Securities (continued)</b>		
Carlyle Global Market Strategies CLO Ltd. (b)(c): (continued)		
Series 2015-2A, Class C, 4.79%, 4/27/27	USD 250	\$ 250,611
Series 2015-2A, Class D, 6.34%, 4/27/27	1,000	976,382
CFIP CLO Ltd., Series 2013-1A, Class D, 4.78%, 4/20/24 (b)(c)	1,500	1,504,322
CIFC Funding 2012-III Ltd., Series 2012-3A, Class B1R, 5.04%, 1/29/25 (b)(c)	1,000	1,002,669
Flatiron CLO Ltd., Series 2014-1A, Class D, 4.62%, 1/15/23 (b)(c)	1,000	1,002,321

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Highbridge Loan Management Ltd.,

Series 6A-2015 (b)(c):

Class D, 4.68%, 5/05/27	300	296,078
Class E1, 6.48%, 5/05/27	1,250	1,209,031
Madison Park Funding IX Ltd., Series 2012-9AR, Class DR, 4.89%, 8/15/22 (b)(c)	655	655,604
Madison Park Funding X Ltd., Series 2012-10A, Class DR, 5.23%, 1/20/29 (b)(c)	1,500	1,505,835
Neuberger Berman CLO XVIII Ltd., Series 2014-18A, Class CR, 5.29%, 11/14/27 (b)(c)	1,000	1,007,836
OCP CLO Ltd., Series 2012-2A, Class DR, 5.52%, 11/22/25 (b)(c)	1,000	1,001,701
OZLM IX Ltd., Series 2014-9A (b)(c):		
Class C, 4.63%, 1/20/27	750	750,128
Class CR, 4.58%, 1/20/27 (d)	750	750,000
OZLM XII Ltd., Series 2015-12A, Class C, 4.74%, 4/30/27 (b)(c)	340	340,141
Sound Point CLO IV Ltd., Series 2013-3A, Class D, 4.54%, 1/21/26 (b)(c)	500	500,438
Stewart Park CLO Ltd., Series 2015-1A, Class E, 6.47%, 4/15/26 (b)(c)	500	484,015
TICP CLO I Ltd., Series 2015-1A, Class D, 4.58%, 7/20/27 (b)(c)	250	240,833
Venture XI CLO Ltd., Series 2012-11AR, Class DR, 4.26%, 11/14/22 (b)(c)	250	250,315
Venture XXI CLO Ltd., Series 2015-21A, Class D, 4.62%, 7/15/27 (b)(c)	500	483,431
Voya CLO Ltd., Series 2012-2AR, Class ER, 7.02%, 10/15/22 (b)(c)	1,250	1,250,472
Webster Park CLO Ltd., Series 2015-1A (b)(c):		
Class B1, 4.13%, 1/20/27	500	503,285
Class C, 5.08%, 1/20/27	500	501,858
<b>Total Asset-Backed Securities 3.3%</b>		<b>26,013,954</b>

### Corporate Bonds

**Advertising Agencies 0.0%**

Kinross Gold Corp., 6.88%, 9/01/41 180 182,250

**Aerospace & Defense 1.6%**

Accudyne Industries Borrower/Accudyne Industries LLC, 7.75%, 12/15/20 (b) 167 146,543

Bombardier, Inc. (b):

8.75%, 12/01/21 187 207,103

6.00%, 10/15/22 1,134 1,135,417

6.13%, 1/15/23 648 648,000

7.50%, 3/15/25 1,554 1,616,160

### Portfolio Abbreviations

**CDO** Collateralized Debt Obligation

**CLO** Collateralized Loan Obligation

**DIP** Debtor-In-Possession

**EBITDA** Earnings Before Interest, Taxes, Depreciation and Amortization

**EUR** Euro

**GBP** British Pound

**LOC** Letter of Credit

**PIK** Payment-In-Kind

**USD** U.S. Dollar

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Aerospace &amp; Defense (continued)</b>			
Huntington Ingalls Industries, Inc., 5.00%, 12/15/21 (b)	USD	307	\$ 320,815
KLX, Inc., 5.88%, 12/01/22 (b)		1,462	1,539,047
Koppers, Inc., 6.00%, 2/15/25 (b)		606	630,240
Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b)		100	107,600
TransDigm, Inc.:			
6.00%, 7/15/22		2,915	2,993,647
6.50%, 7/15/24		2,189	2,249,197
6.50%, 5/15/25		555	568,181
Series WI, 6.38%, 6/15/26		223	225,230
			12,387,180
<b>Air Freight &amp; Logistics 0.4%</b>			
XPO Logistics, Inc.:			
5.75%, 6/15/21	EUR	100	111,872
6.50%, 6/15/22 (b)	USD	1,520	1,596,000
6.13%, 9/01/23 (b)		1,004	1,054,200
			2,762,072
<b>Airlines 0.8%</b>			
Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (b)		712	744,040
American Airlines Group, Inc., 4.63%, 3/01/20 (b)		542	550,807
Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18		2,390	2,491,575
US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 5/15/23		2,034	2,099,659
Virgin Australia Trust, Series 2013-1, Class C, 7.13%, 10/23/18 (b)		539	550,290
			6,436,371
<b>Auto Components 0.9%</b>			
Allison Transmission, Inc., 5.00%, 10/01/24 (b)		685	696,987
CNH Industrial Finance Europe SA, 2.88%, 5/17/23	EUR	175	192,735
Fiat Chrysler Finance Europe, 4.75%, 3/22/21		100	117,064
Goodyear Tire & Rubber Co., 5.00%, 5/31/26	USD	133	135,660
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:			
4.88%, 3/15/19		4,609	4,683,896
6.25%, 2/01/22 (b)		319	329,367
6.75%, 2/01/24 (b)		303	314,363
IHO Verwaltungs GmbH (e):			
(2.75% Cash or 3.50% PIK), 2.75%, 9/15/21	EUR	100	109,423
(3.25% Cash or 4.00% PIK), 3.25%, 9/15/23		100	109,913
(3.75% Cash or 4.50% PIK), 3.75%, 9/15/26		100	107,926
Jaguar Land Rover Automotive PLC, 5.63%, 2/01/23 (b)	USD	425	445,189
Venture Holdings Co. LLC (a)(f):			
12.00%, 6/01/2009		5,150	
Series B, 9.50%, 7/01/2005		5,125	
			7,242,523
<b>Banks 1.0%</b>			
Allied Irish Banks PLC, 4.13%, 11/26/25 (c)	EUR	100	110,229
Banca Popolare di Vicenza, 0.50%, 2/03/20		100	104,979
Banco Espirito Santo SA (a)(f):			
2.63%, 5/08/17		100	31,517
4.75%, 1/15/18		200	63,034
4.00%, 1/21/19		100	31,517
Banco Popolare, 2.75%, 7/27/20		100	108,111
Bank of Ireland, 4.25%, 6/11/24 (c)		100	110,442
Bankia SA, 4.00%, 5/22/24 (c)		300	324,549
CaixaBank SA, 3.50%, 2/15/27 (c)		100	109,014
CIT Group, Inc.:			

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5.25%, 3/15/18	USD	1,434	1,481,867
6.63%, 4/01/18 (b)		295	309,013
5.00%, 5/15/18 (b)		950	961,400
		<b>Par</b>	
		<b>(000)</b>	<b>Value</b>
<b>Corporate Bonds</b>			
<b>Banks (continued)</b>			
CIT Group, Inc.: (continued)			
5.50%, 2/15/19 (b)	USD	3,099	\$ 3,265,571
5.00%, 8/01/23		470	497,025
Commerzbank AG, 7.75%, 3/16/21	EUR	100	127,792
			7,636,060
<b>Building Materials 0.0%</b>			
Dry Mix Solutions Investissements SAS,			
3.93%, 6/15/21 (c)		100	105,940
Titan Global Finance PLC, 3.50%, 6/17/21		100	110,005
			215,945
<b>Building Products 0.8%</b>			
American Builders & Contractors Supply Co., Inc. (b):			
5.63%, 4/15/21	USD	210	215,513
5.75%, 12/15/23		415	435,750
Building Materials Corp. of America (b):			
5.38%, 11/15/24		190	195,301
6.00%, 10/15/25		664	705,500
CPG Merger Sub LLC, 8.00%, 10/01/21 (b)		740	775,150
Masonite International Corp., 5.63%, 3/15/23 (b)		579	597,817
Ply Gem Industries, Inc., 6.50%, 2/01/22		1,275	1,326,255
Standard Industries, Inc. (b):			
5.13%, 2/15/21		84	87,570
5.50%, 2/15/23		453	471,120
USG Corp., 8.25%, 1/15/18		980	1,029,000
			5,838,976
<b>Capital Markets 0.2%</b>			
Blackstone CQP Holdco LP, 9.30%, 3/19/19			
E*Trade Financial Corp., Series A, 0.00%, 8/31/19 (g)(h)		1,521	1,538,391
		100	334,122
			1,872,513
<b>Chemicals 3.0%</b>			
Alpha 3 BV/Alpha US Bidco, Inc., 6.25%, 2/01/25 (b)			
		1,100	1,100,000
Axalta Coating Systems Dutch Holding B BV, 3.75%, 1/15/25	EUR	100	110,456
Axalta Coating Systems LLC, 4.88%, 8/15/24 (b)	USD	325	331,500
Blue Cube Spinco, Inc.:			
9.75%, 10/15/23		215	256,388
10.00%, 10/15/25		100	121,500
CF Industries, Inc.:			
5.15%, 3/15/34		185	175,866
4.95%, 6/01/43		755	649,300
Chemours Co.:			
6.63%, 5/15/23		270	286,538
7.00%, 5/15/25		321	348,686
GEO Specialty Chemicals, Inc., 7.50%, 10/30/18		6,638	9,304,604
Hexion, Inc., 10.38%, 2/01/22 (b)		336	346,080
Huntsman International LLC:			
5.13%, 4/15/21	EUR	100	118,148
5.13%, 11/15/22	USD	1,101	1,156,050
Ineos Finance PLC, 4.00%, 5/01/23	EUR	100	110,310
Inovyn Finance PLC, 6.25%, 5/15/21		100	112,633
Momentive Performance Materials, Inc., 3.88%, 10/24/21	USD	2,675	2,621,500
Platform Specialty Products Corp. (b):			
10.38%, 5/01/21		506	568,618
6.50%, 2/01/22		3,375	3,526,875
PQ Corp., 6.75%, 11/15/22 (b)		967	1,046,777
PSPC Escrow Corp., 6.00%, 2/01/23	EUR	100	111,263
Tronox Finance LLC:			
6.38%, 8/15/20	USD	564	573,870
7.50%, 3/15/22 (b)		172	179,740



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WR Grace & Co-Conn, 5.13%, 10/01/21 (b)	488	513,620
		23,670,322

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Commercial Services &amp; Supplies 0.8%</b>			
ADT Corp.:			
3.50%, 7/15/22	USD	765	\$ 725,794
4.13%, 6/15/23		435	418,688
4.88%, 7/15/32 (b)		353	284,165
Advanced Disposal Services, Inc.,			
5.63%, 11/15/24 (b)		608	621,680
Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b)		200	209,500
CEB, Inc., 5.63%, 6/15/23 (b)		760	817,000
Harland Clarke Holdings Corp., 8.38%, 8/15/22 (b)		740	764,512
Mobile Mini, Inc., 5.88%, 7/01/24		104	108,680
Park Aerospace Holdings Ltd., 5.25%, 8/15/22 (b)		645	672,412
Ritchie Bros Auctioneers, Inc., 5.38%, 1/15/25 (b)		302	310,683
Silk Bidco AS, 7.50%, 2/01/22	EUR	150	170,828
United Rentals North America, Inc.:			
7.63%, 4/15/22	USD	858	895,812
5.75%, 11/15/24		165	175,230
Verisure Holding AB, 6.00%, 11/01/22	EUR	125	144,277
			6,319,261
<b>Communications Equipment 1.1%</b>			
Alcatel-Lucent USA, Inc., 6.45%, 3/15/29	USD	1,767	1,952,535
CommScope Technologies Finance LLC, 6.00%, 6/15/25 (b)		505	540,350
CommScope, Inc. (b):			
5.00%, 6/15/21		574	591,220
5.50%, 6/15/24		272	284,920
Zayo Group LLC/Zayo Capital, Inc.:			
6.00%, 4/01/23		3,045	3,220,087
6.38%, 5/15/25		1,223	1,317,783
5.75%, 1/15/27 (b)		570	602,661
			8,509,556
<b>Construction &amp; Engineering 0.3%</b>			
BlueLine Rental Finance Corp., 7.00%, 2/01/19 (b)		1,076	1,097,520
Engility Corp., 8.88%, 9/01/24 (b)		468	503,100
Swissport Investments SA, 6.75%, 12/15/21	EUR	100	116,163
Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23	USD	350	337,750
			2,054,533
<b>Construction Materials 0.7%</b>			
Allegion US Holding Co., Inc., 5.75%, 10/01/21		117	122,265
HD Supply, Inc. (b):			
5.25%, 12/15/21		2,410	2,542,550
5.75%, 4/15/24		1,625	1,718,438
LKQ Italia Bondco SpA, 3.88%, 4/01/24	EUR	100	113,225
PulteGroup, Inc., 5.50%, 3/01/26	USD	446	462,725
Rexel SA, 3.50%, 6/15/23	EUR	130	144,046
			5,103,249
<b>Consumer Discretionary 0.1%</b>			
Nielsen Co. Luxembourg SARL, 5.00%, 2/01/25 (b)	USD	471	474,533
<b>Consumer Finance 1.2%</b>			
Ally Financial, Inc.:			
6.25%, 12/01/17		30	31,027
5.13%, 9/30/24		1,207	1,277,911
4.63%, 3/30/25		216	220,860
8.00%, 11/01/31		4,856	5,972,880
Navient Corp.:			
6.63%, 7/26/21		297	309,623
5.50%, 1/25/23		345	330,337

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7.25%, 9/25/23		10	10,250
6.13%, 3/25/24		237	226,928
5.88%, 10/25/24		258	241,875
5.63%, 8/01/33		260	210,600
		<b>Par</b>	
		<b>(000)</b>	<b>Value</b>
<b>Corporate Bonds</b>			
<b>Consumer Finance (continued)</b>			
OneMain Financial Holdings LLC, 6.75%, 12/15/19 (b)	USD	439	\$ 459,580
			9,291,871
<b>Containers &amp; Packaging 2.8%</b>			
Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc.:			
6.25%, 1/31/19 (b)		603	612,533
3.96%, 12/15/19 (b)(c)		387	394,492
6.75%, 1/31/21 (b)		415	430,272
6.00%, 6/30/21 (b)		1,490	1,545,875
4.25%, 1/15/22	EUR	170	185,915
4.25%, 9/15/22 (b)(d)	USD	635	644,525
4.63%, 5/15/23 (b)		559	568,783
2.75%, 3/15/24 (d)	EUR	125	132,577
6.75%, 5/15/24		125	146,495
7.25%, 5/15/24 (b)		2,685	2,926,650
6.00%, 2/15/25 (b)(d)	USD	1,646	1,691,265
Ball Corp., 5.00%, 3/15/22		823	871,351
Crown European Holdings SA, 4.00%, 7/15/22	EUR	220	258,705
Flex Acquisition Co., Inc., 6.88%, 1/15/25 (b)	USD	394	402,865
Graphic Packaging International, Inc., 4.13%, 8/15/24		1,130	1,121,525
JH-Holding Finance SA, (8.25% PIK), 8.25%, 12/01/22 (e)	EUR	100	114,773
Reynolds Group Issuer, Inc.:			
5.75%, 10/15/20	USD	3,099	3,191,970
6.88%, 2/15/21		172	177,145
4.52%, 7/15/21 (b)(c)		1,671	1,714,864
5.13%, 7/15/23 (b)		372	385,485
7.00%, 7/15/24 (b)		1,754	1,886,646
Sappi Papier Holding GmbH, 4.00%, 4/01/23	EUR	100	112,296
Sealed Air Corp.:			
4.88%, 12/01/22 (b)	USD	120	124,050
4.50%, 9/15/23	EUR	100	118,595
6.88%, 7/15/33 (b)	USD	28	30,380
Signode Industrial Group Lux SA/Signode Industrial Group US, Inc., 6.38%, 5/01/22 (b)		1,771	1,819,703
Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (b)		200	206,320
Verallia Packaging SASU, 5.13%, 8/01/22	EUR	100	112,402
			21,928,457
<b>Diversified Consumer Services 0.9%</b>			
APX Group, Inc.:			
6.38%, 12/01/19	USD	165	169,744
8.75%, 12/01/20		390	403,650
7.88%, 12/01/22		695	752,337
7.88%, 12/01/22 (b)		545	589,962
Laureate Education, Inc., 9.25%, 9/01/19 (b)		427	446,749
Prime Security Services Borrower LLC/Prime Finance, Inc., 9.25%, 5/15/23 (b)		4,035	4,413,281
Service Corp. International, 4.50%, 11/15/20		307	313,140
Sotheby's, 5.25%, 10/01/22 (b)		73	74,460
Tereos Finance Groupe I SA, 4.13%, 6/16/23	EUR	100	109,039
			7,272,362
<b>Diversified Financial Services 0.4%</b>			
Aircastle Ltd.:			
5.13%, 3/15/21	USD	33	35,228
5.50%, 2/15/22		427	460,626
Deutsche Bank AG, 4.25%, 10/14/21 (b)		150	151,696
FBM Finance, Inc., 8.25%, 8/15/21 (b)		350	374,570
Garfunkelux Holdco 3 SA, 8.50%, 11/01/22	GBP	100	129,669
Jefferies Finance LLC/JFIN Co-Issuer Corp. (b): 7.38%, 4/01/20	USD	625	635,937

6.88%, 4/15/22

516

501,810

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

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## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Diversified Financial Services (continued)</b>			
ProGroup AG, 5.13%, 5/01/22	EUR	130	\$ 146,360
UniCredit SpA:			
6.95%, 10/31/22		100	123,066
5.75%, 10/28/25 (c)		100	113,301
4.38%, 1/03/27 (c)		100	108,734
			2,780,997
<b>Diversified Telecommunication Services 2.2%</b>			
CenturyLink, Inc.:			
6.45%, 6/15/21	USD	1,753	1,868,049
Series Y, 7.50%, 4/01/24		165	177,375
Cincinnati Bell, Inc., 7.00%, 7/15/24 (b)		1,915	2,025,112
Frontier Communications Corp.:			
7.13%, 3/15/19		50	53,125
8.50%, 4/15/20		260	275,600
6.25%, 9/15/21		345	329,475
7.13%, 1/15/23		235	212,675
7.63%, 4/15/24		1,641	1,472,798
6.88%, 1/15/25		1,750	1,474,375
11.00%, 9/15/25		265	266,325
Level 3 Financing, Inc.:			
4.76%, 1/15/18 (c)		646	647,615
5.38%, 8/15/22		925	958,994
5.13%, 5/01/23		1,120	1,142,400
5.38%, 1/15/24		712	730,690
5.38%, 5/01/25		869	897,243
5.25%, 3/15/26 (b)		411	414,596
OTE PLC, 3.50%, 7/09/20	EUR	100	106,470
SoftBank Group Corp., 4.75%, 7/30/25		129	153,431
Telecom Italia Capital SA:			
6.38%, 11/15/33	USD	301	304,010
6.00%, 9/30/34		429	423,638
7.20%, 7/18/36		280	296,520
Telecom Italia Finance SA, 7.75%, 1/24/33	EUR	100	138,360
Telecom Italia SpA:			
6.38%, 6/24/19	GBP	200	271,401
3.25%, 1/16/23	EUR	150	167,983
5.88%, 5/19/23	GBP	100	139,372
5.30%, 5/30/24 (b)	USD	905	920,838
Telenet Finance V Luxembourg SCA, 6.75%, 8/15/24	EUR	322	378,292
Windstream Corp., 7.75%, 10/01/21	USD	451	464,530
Windstream Services LLC, 7.50%, 6/01/22		339	335,610
			17,046,902
<b>Electric Utilities 0.0%</b>			
AES Corp., 4.88%, 5/15/23		256	254,208
<b>Electrical Equipment 0.0%</b>			
Areva SA, 4.88%, 9/23/24	EUR	100	107,116
Belden, Inc., 5.50%, 4/15/23		109	122,692
			229,808
<b>Electronic Equipment, Instruments &amp; Components 0.5%</b>			
CDW LLC/CDW Finance Corp.:			
6.00%, 8/15/22	USD	500	529,375
5.00%, 9/01/23		1,036	1,067,080
5.50%, 12/01/24		2,050	2,152,500
SESI LLC, 7.13%, 12/15/21		180	184,950
			3,933,905

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**Energy Equipment & Services 1.1%**

EnSCO PLC:		
4.50%, 10/01/24	260	223,600
5.20%, 3/15/25	55	48,675
Gates Global LLC/Gates Global Co.,		
6.00%, 7/15/22 (b)	568	572,260

**Corporate Bonds**

	<b>Par (000)</b>	<b>Value</b>
<b>Energy Equipment &amp; Services (continued)</b>		
Genesis Energy LP/Genesis Energy Finance Corp.:		
5.75%, 2/15/21	USD 103	\$ 104,545
6.75%, 8/01/22	557	580,672
GrafTech International Ltd., 6.38%, 11/15/20	150	127,500
Noble Holding International Ltd., 4.63%, 3/01/21	22	20,845
Pioneer Energy Services Corp., 6.13%, 3/15/22	740	690,975
Precision Drilling Corp., 6.50%, 12/15/21	5	5,138
Transocean, Inc.:		
4.25%, 10/15/17	354	356,089
6.00%, 3/15/18	1,399	1,433,975
7.38%, 4/15/18	90	92,475
5.55%, 10/15/22	322	301,070
9.00%, 7/15/23 (b)	1,702	1,833,905
6.80%, 3/15/38	375	307,500
Trinidad Drilling Ltd., 6.63%, 2/15/25 (b)	724	745,720
Weatherford International Ltd.:		
7.75%, 6/15/21	215	231,931
8.25%, 6/15/23	335	363,475
9.88%, 2/15/24 (b)	356	411,180

8,451,530

**Environmental, Maintenance, & Security Service 0.2%**

Befesa Zinc SAU Via Zinc Capital SA, 8.88%, 5/15/18	EUR 100	108,212
Tervita Escrow Corp., 7.63%, 12/01/21 (b)	USD 1,094	1,143,230

1,251,442

**Food & Staples Retailing 0.9%**

Albertsons Cos. LLC/Safeway, Inc./New Albertson s, Inc./Albertson s LLC (b):		
6.63%, 6/15/24	308	326,480
5.75%, 3/15/25	363	363,681
B&M European Value Retail SA, 4.13%, 2/01/22	GBP 100	129,224
Casino Guichard Perrachon SA:		
4.56%, 1/25/23	EUR 100	118,464
3.25%, 3/07/24	200	232,452
Dollar Tree, Inc.:		
5.25%, 3/01/20	USD 69	70,967
5.75%, 3/01/23	2,882	3,058,522
Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 5.88%, 1/15/24	127	134,302
Rite Aid Corp.:		
9.25%, 3/15/20	435	449,137
6.75%, 6/15/21	32	33,360
6.13%, 4/01/23 (b)	1,440	1,525,896
7.70%, 2/15/27	56	66,920
Tesco PLC, 5.00%, 3/24/23	GBP 100	137,582

6,646,987

**Food Products 0.8%**

Acosta, Inc., 7.75%, 10/01/22 (b)	USD 420	369,600
Aramark Services, Inc.:		
5.75%, 3/15/20	165	167,636
5.13%, 1/15/24	78	81,713
FAGE International SA/FAGE USA Dairy Industry, Inc., 5.63%, 8/15/26 (b)	770	787,325
JBS USA LLC/JBS USA Finance, Inc. (b):		
7.25%, 6/01/21	355	365,650
5.75%, 6/15/25	704	726,880
Post Holdings, Inc. (b):		
7.75%, 3/15/24	718	796,980
8.00%, 7/15/25	307	346,142
5.00%, 8/15/26	2,342	2,264,410

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TreeHouse Foods, Inc., 6.00%, 2/15/24 (b)	274	288,385
WhiteWave Foods Co., 5.38%, 10/01/22	239	260,510
		6,455,231

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Health Care Equipment &amp; Supplies 0.7%</b>			
Crimson Merger Sub, Inc., 6.63%, 5/15/22 (b)	USD	595	\$ 531,038
DJO Finco, Inc./DJO Finance LLC/DJO Finance Corp., 8.13%, 6/15/21 (b)		1,872	1,656,720
Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (b)		820	892,775
IASIS Healthcare LLC/IASIS Capital Corp., 8.38%, 5/15/19		600	586,500
IDH Finance PLC, 6.25%, 8/15/22	GBP	100	118,811
Mallinckrodt International Finance SA/Mallinckrodt CB LLC (b):			
4.88%, 4/15/20	USD	350	350,875
5.75%, 8/01/22		990	970,200
5.63%, 10/15/23		509	488,640
			5,595,559
<b>Health Care Providers &amp; Services 4.8%</b>			
<b>Acadia Healthcare Co., Inc.:</b>			
5.13%, 7/01/22		872	878,540
5.63%, 2/15/23		440	452,100
6.50%, 3/01/24		122	129,625
Alere, Inc., 6.38%, 7/01/23 (b)		406	412,090
Amsurg Corp., 5.63%, 7/15/22		2,812	2,927,995
<b>Centene Corp.:</b>			
5.63%, 2/15/21		716	753,590
4.75%, 5/15/22		67	69,429
6.13%, 2/15/24		311	337,435
4.75%, 1/15/25		610	627,537
<b>CHS/Community Health Systems, Inc.:</b>			
5.13%, 8/15/18		156	156,975
8.00%, 11/15/19		400	391,000
5.13%, 8/01/21		790	776,175
6.88%, 2/01/22		499	437,873
DaVita HealthCare Partners, Inc., 5.13%, 7/15/24		810	826,706
HCA Holdings, Inc., 6.25%, 2/15/21		510	555,263
<b>HCA, Inc.:</b>			
3.75%, 3/15/19		1,048	1,074,200
6.50%, 2/15/20		1,744	1,914,546
7.50%, 2/15/22		430	496,113
5.88%, 3/15/22		1,148	1,267,105
4.75%, 5/01/23		658	690,077
5.00%, 3/15/24		1,015	1,069,556
5.38%, 2/01/25		1,528	1,598,670
5.25%, 4/15/25		66	70,373
5.88%, 2/15/26		1,572	1,685,970
5.25%, 6/15/26		580	612,625
4.50%, 2/15/27		1,227	1,223,932
HealthSouth Corp., 5.75%, 11/01/24		1,134	1,156,680
Hologic, Inc., 5.25%, 7/15/22 (b)		475	495,188
MEDNAX, Inc., 5.25%, 12/01/23 (b)		574	593,372
MPH Acquisition Holdings LLC, 7.13%, 6/01/24 (b)		1,696	1,827,440
New Amethyst Corp., 6.25%, 12/01/24 (b)		302	320,120
RegionalCare Hospital Partners Holdings, Inc., 8.25%, 5/01/23 (b)		609	654,675
<b>Sterigenics-Nordion Holdings LLC,</b>			
6.50%, 5/15/23 (b)		128	130,880
Surgery Center Holdings, Inc., 8.88%, 4/15/21 (b)		146	156,220
<b>Tenet Healthcare Corp.:</b>			
6.25%, 11/01/18		607	642,661
4.75%, 6/01/20		1,190	1,213,800
4.46%, 6/15/20 (c)		989	1,001,362
6.00%, 10/01/20		2,918	3,093,080
4.50%, 4/01/21		24	24,300
7.50%, 1/01/22 (b)		380	411,350
8.13%, 4/01/22		2,540	2,660,650
6.75%, 6/15/23		1,355	1,343,144



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		Par (000)	Value
			37,160,422
<b>Corporate Bonds</b>			
<b>Health Care Technology 0.0%</b>			
Quintiles IMS, Inc., 3.25%, 3/15/25 (b)	EUR	100	\$ 106,099
<b>Hotels, Restaurants &amp; Leisure 2.6%</b>			
Boyd Gaming Corp., 6.88%, 5/15/23	USD	758	818,640
Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property, 8.00%, 10/01/20		1,428	1,494,045
ESH Hospitality, Inc., 5.25%, 5/01/25 (b)		183	184,601
International Game Technology PLC, 6.25%, 2/15/22 (b)		200	216,000
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, (b): 5.00%, 6/01/24		66	67,756
5.25%, 6/01/26		234	241,898
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc., 5.63%, 5/01/24 (b)		2,115	2,236,612
<b>MGM Resorts International:</b>			
8.63%, 2/01/19		234	258,570
5.25%, 3/31/20		1,261	1,327,203
6.75%, 10/01/20		515	567,633
6.63%, 12/15/21		1,352	1,509,170
4.63%, 9/01/26		987	967,250
New Red Finance, Inc., 6.00%, 4/01/22 (b)		2,115	2,205,522
PortAventura Entertainment Barcelona BV, 7.25%, 12/01/20	EUR	100	109,850
Sabre GBLB, Inc., 5.25%, 11/15/23 (b)	USD	221	224,315
<b>Scientific Games International, Inc.:</b>			
7.00%, 1/01/22 (b)		2,281	2,426,331
10.00%, 12/01/22		2,120	2,249,850
Six Flags Entertainment Corp., 5.25%, 1/15/21 (b)		842	865,576
Station Casinos LLC, 7.50%, 3/01/21		1,938	2,020,365
Thomas Cook Group PLC, 6.25%, 6/15/22	EUR	100	112,879
Unique Pub Finance Co. PLC, Series A4, 5.66%, 6/30/27	GBP	279	374,689
Vue International Bidco PLC, 7.88%, 7/15/20		147	189,555
			20,668,310
<b>Household Durables 0.7%</b>			
Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b)	USD	285	293,550
<b>CalAtlantic Group, Inc.:</b>			
8.38%, 1/15/21		1,090	1,273,937
5.25%, 6/01/26		285	285,356
<b>Lennar Corp.:</b>			
4.75%, 11/15/22		475	488,538
4.88%, 12/15/23		265	273,613
Meritage Homes Corp., 4.50%, 3/01/18		589	599,307
Ryland Group, Inc., 6.63%, 5/01/20		130	143,325
Standard Pacific Corp., 5.88%, 11/15/24		360	386,100
Tempur Sealy International, Inc., 5.50%, 6/15/26		561	551,182
<b>TRI Pointe Group, Inc.:</b>			
4.38%, 6/15/19		435	443,700
4.88%, 7/01/21		525	542,063
			5,280,671
<b>Household Products 0.3%</b>			
<b>Spectrum Brands, Inc.:</b>			
6.63%, 11/15/22		1,810	1,914,075
6.13%, 12/15/24		87	92,577
5.75%, 7/15/25		284	301,750
			2,308,402
<b>Independent Power and Renewable Electricity Producers 0.9%</b>			
<b>AES Corp.:</b>			
7.38%, 7/01/21		559	630,272
5.50%, 3/15/24		725	739,500
6.00%, 5/15/26		201	207,030
Calpine Corp., 5.38%, 1/15/23		128	129,280

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

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## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Independent Power and Renewable Electricity Producers (continued)</b>			
Dynergy, Inc.:			
6.75%, 11/01/19	USD	665	\$ 684,950
7.38%, 11/01/22		231	226,958
NRG Energy, Inc.:			
7.88%, 5/15/21		124	128,650
6.25%, 5/01/24		50	50,000
7.25%, 5/15/26		208	213,980
6.63%, 1/15/27 (b)		1,358	1,334,235
NRG Yield Operating LLC, 5.38%, 8/15/24		195	199,875
QEP Resources, Inc., 5.38%, 10/01/22		1,965	1,974,825
TerraForm Power Operating LLC, 6.38%, 2/01/23 (b)(i)		205	212,175
			6,731,730
<b>Industrial Conglomerates 0.3%</b>			
Vertiv Group Corp, 9.25%, 10/15/24 (b)		1,887	2,026,166
<b>Insurance 0.4%</b>			
Assicurazioni Generali SpA (c):			
7.75%, 12/12/42	EUR	100	126,084
5.50%, 10/27/47		100	111,767
Groupama SA, 6.00%, 1/23/27		100	108,293
HUB International Ltd. (b):			
9.25%, 2/15/21	USD	367	380,762
7.88%, 10/01/21		994	1,051,155
Wayne Merger Sub LLC, 8.25%, 8/01/23 (b)		1,560	1,645,800
			3,423,861
<b>Internet Software &amp; Services 0.4%</b>			
Equinix, Inc., 5.88%, 1/15/26		997	1,064,916
IAC/InterActiveCorp, 4.88%, 11/30/18		558	566,370
Netflix, Inc.:			
5.50%, 2/15/22		72	76,860
5.88%, 2/15/25		132	142,725
4.38%, 11/15/26 (b)		888	880,230
Symantec Corp., 5.00%, 4/15/25 (b)		422	433,159
			3,164,260
<b>IT Services 1.4%</b>			
Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b)		795	832,763
First Data Corp. (b):			
7.00%, 12/01/23		3,857	4,146,275
5.75%, 1/15/24		5,066	5,249,642
WEX, Inc., 4.75%, 2/01/23 (b)		601	597,995
			10,826,675
<b>Machinery 0.3%</b>			
Gardner Denver, Inc., 6.88%, 8/15/21 (b)		380	391,400
SPX FLOW, Inc. (b):			
5.63%, 8/15/24		359	368,872
5.88%, 8/15/26		359	364,385
Terex Corp., 5.63%, 2/01/25 (b)		912	935,940
Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 6.38%, 5/01/22	EUR	100	113,854
			2,174,451
<b>Media 9.7%</b>			
Adria Bidco BV, 7.88%, 11/15/20		200	221,150
Altice Financing SA:			
5.25%, 2/15/23		100	113,186
7.50%, 5/15/26 (b)	USD	1,795	1,927,381
Altice Luxembourg SA:			

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7.75%, 5/15/22 (b)		1,110	1,180,762
6.25%, 2/15/25	EUR	100	112,561
7.63%, 2/15/25 (b)	USD	203	216,195
Altice US Finance I Corp. (b):			
5.38%, 7/15/23		2,707	2,822,047
5.50%, 5/15/26		637	658,499
		<b>Par</b>	<b>Value</b>
		<b>(000)</b>	
<b>Corporate Bonds</b>			
<b>Media (continued)</b>			
AMC Networks, Inc.:			
4.75%, 12/15/22	USD	156	\$ 157,560
5.00%, 4/01/24		1,160	1,170,881
Cablevision Systems Corp.:			
7.75%, 4/15/18		362	380,100
8.00%, 4/15/20		502	554,710
CBS Radio, Inc., 7.25%, 11/01/24 (b)		602	642,635
CCO Holdings LLC/CCO Holdings Capital Corp.:			
5.13%, 2/15/23		1,110	1,155,787
5.75%, 2/15/26 (b)		1,148	1,228,360
5.50%, 5/01/26 (b)		774	821,408
5.13%, 5/01/27 (b)		703	730,241
5.88%, 5/01/27 (b)		1,252	1,344,773
Cellnex Telecom SA, 2.38%, 1/16/24	EUR	100	106,999
Cequel Communications Holdings I LLC/Cequel Capital Corp. (b):			
6.38%, 9/15/20	USD	420	432,863
5.13%, 12/15/21		1,670	1,688,434
7.75%, 7/15/25		2,044	2,263,730
Charter Communications Operating LLC/Charter Communications Operating Capital,			
4.91%, 7/23/25		1,300	1,369,424
Clear Channel International BV, 8.75%, 12/15/20 (b)		700	742,000
Clear Channel Worldwide Holdings, Inc.:			
6.50%, 11/15/22		7,365	7,591,729
Series B, 7.63%, 3/15/20		2,524	2,542,930
Columbus Cable Barbados Ltd., 7.38%, 3/30/21 (b)		850	904,511
CSC Holdings LLC:			
10.13%, 1/15/23 (b)		712	824,140
5.25%, 6/01/24		996	1,002,225
6.63%, 10/15/25 (b)		1,298	1,432,667
10.88%, 10/15/25 (b)		2,590	3,120,950
DISH DBS Corp.:			
5.88%, 7/15/22		1,537	1,648,432
5.88%, 11/15/24		457	486,705
7.75%, 7/01/26		2,068	2,419,560
eircom Finance DAC, 4.50%, 5/31/22	EUR	100	110,919
Hughes Satellite Systems Corp. (b):			
5.25%, 8/01/26	USD	1,433	1,456,286
6.63%, 8/01/26		381	396,476
iHeartCommunications, Inc.:			
9.00%, 12/15/19		1,010	882,488
9.00%, 3/01/21		160	129,600
9.00%, 9/15/22		930	748,650
10.63%, 3/15/23		850	705,500
Intelsat Jackson Holdings SA:			
7.25%, 4/01/19		1,695	1,622,962
5.50%, 8/01/23		1,467	1,206,607
LG Finance Co. Corp., 5.88%, 11/01/24 (b)		231	237,641
MDC Partners, Inc., 6.50%, 5/01/24 (b)		520	502,450
Midcontinent Communications / Midcontinent Finance Corp. (b):			
6.25%, 8/01/21		265	275,335
6.88%, 8/15/23		309	332,948
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b)		538	542,708
Nexstar Broadcasting, Inc., 5.63%, 8/01/24 (b)		531	542,948
Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (b)		205	211,150
Numericable Group SA, 5.38%, 5/15/22	EUR	100	110,495
Outfront Media Capital LLC/Outfront Media Capital Corp.:			
5.25%, 2/15/22	USD	130	135,038
5.63%, 2/15/24		242	254,100
SFR Group SA (b):			
6.00%, 5/15/22		1,192	1,236,330
7.38%, 5/01/26		4,095	4,243,444

See Notes to Consolidated Financial Statements.

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BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Media (continued)</b>			
Sirius XM Radio, Inc. (b):			
4.25%, 5/15/20	USD	141	\$ 142,763
5.75%, 8/01/21		464	483,393
4.63%, 5/15/23		60	61,350
Sterling Entertainment Corp., 9.75%, 12/15/19		1,300	1,287,000
TEGNA, Inc., 5.13%, 10/15/19		215	220,644
Telesat Canada/Telesat LLC, 8.88%, 11/15/24 (b)		457	499,273
Tribune Media Co., 5.88%, 7/15/22		1,583	1,616,639
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:			
4.00%, 1/15/25	EUR	198	221,193
5.00%, 1/15/25 (b)	USD	400	411,000
Univision Communications, Inc. (b):			
5.13%, 5/15/23		3,152	3,152,000
5.13%, 2/15/25		934	921,157
Virgin Media Finance PLC, 5.75%, 1/15/25 (b)		600	615,750
Virgin Media Receivables Financing Notes I DAC, 5.50%, 9/15/24	GBP	100	127,777
Virgin Media Secured Finance PLC:			
5.25%, 1/15/26 (b)	USD	975	985,969
5.50%, 8/15/26 (b)		320	327,965
4.88%, 1/15/27	GBP	100	124,892
6.25%, 3/28/29		233	313,809
WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)	USD	1,300	1,352,000
Wind Acquisition Finance SA:			
4.00%, 7/15/20	EUR	168	181,361
7.00%, 4/23/21		100	110,336
7.38%, 4/23/21 (b)	USD	1,205	1,254,706
Ziggo Bond Finance BV, 5.88%, 1/15/25 (b)		1,095	1,112,794
			75,423,381
<b>Metals &amp; Mining 5.3%</b>			
Alcoa Nederland Holding BV, 7.00%, 9/30/26 (b)		270	296,325
Alcoa, Inc.:			
6.15%, 8/15/20		1,395	1,527,525
5.13%, 10/01/24		1,371	1,419,670
5.90%, 2/01/27		280	299,950
Anglo American Capital PLC:			
1.50%, 4/01/20	EUR	100	108,326
3.50%, 3/28/22		100	117,047
4.88%, 5/14/25 (b)	USD	1,025	1,063,437
ArcelorMittal:			
8.00%, 10/15/39		178	207,370
7.75%, 3/01/41		938	1,064,630
Cliffs Natural Resources, Inc. (b):			
8.25%, 3/31/20		355	387,838
5.75%, 3/01/25		576	565,056
Constellium NV (b):			
8.00%, 1/15/23		2,290	2,404,500
5.75%, 5/15/24		675	639,563
6.63%, 3/01/25		1,424	1,415,990
First Quantum Minerals Ltd. (b):			
7.00%, 2/15/21		1,254	1,298,674
7.25%, 5/15/22		235	242,931
FMG Resources August 2006 Property Ltd., 9.75%, 3/01/22 (b)		553	639,755
Freeport-McMoRan, Inc.:			
2.38%, 3/15/18		3,710	3,691,450
3.10%, 3/15/20		1,135	1,112,300
4.00%, 11/14/21		804	771,840
3.55%, 3/01/22		1,144	1,062,490
3.88%, 3/15/23		3,888	3,576,960
5.40%, 11/14/34		1,271	1,115,302

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		1,728	1,477,440
		<b>Par (000)</b>	<b>Value</b>
<b>Corporate Bonds</b>			
<b>Metals &amp; Mining (continued)</b>			
Grinding Media, Inc. / MC Grinding Media Canada, Inc., 7.38%, 12/15/23 (b)	USD	491	\$ 525,370
Joseph T Ryerson & Son, Inc., 11.00%, 5/15/22 (b)		482	537,430
Kinross Gold Corp., 5.95%, 3/15/24		110	116,325
Novelis Corp. (b):			
6.25%, 8/15/24		1,758	1,863,480
5.88%, 9/30/26		1,904	1,958,740
Peabody Securities Finance Corp. (b):			
6.00%, 3/31/22		325	331,500
6.38%, 3/31/25		342	348,840
Steel Dynamics, Inc.:			
5.13%, 10/01/21		790	814,688
6.38%, 8/15/22		595	621,775
5.25%, 4/15/23		1,015	1,056,970
5.50%, 10/01/24		138	146,804
5.00%, 12/15/26 (b)		35	36,177
Teck Resources Ltd.:			
3.00%, 3/01/19		250	256,050
3.75%, 2/01/23		1,403	1,367,644
8.50%, 6/01/24 (b)		722	842,935
6.13%, 10/01/35		181	187,335
6.00%, 8/15/40		811	813,028
6.25%, 7/15/41		429	445,088
5.20%, 3/01/42		1,118	1,058,947
5.40%, 2/01/43		977	930,592
ThyssenKrupp AG, 1.38%, 3/03/22	EUR	75	79,128
United States Steel Corp., 8.38%, 7/01/21 (b)	USD	624	702,000
			41,547,215
<b>Multi-Utilities 0.2%</b>			
NGL Energy Partners LP/NGL Energy Finance Corp.:			
6.88%, 10/15/21		390	401,456
7.50%, 11/01/23 (b)		780	820,950
			1,222,406
<b>Multiline Retail 0.1%</b>			
Neiman Marcus Group Ltd. (b):			
8.00%, 10/15/21		1,035	649,463
(8.75% Cash or 9.50% PIK), 8.75%, 10/15/21 (e)		150	86,250
			735,713
<b>Offshore Drilling &amp; Other Services 0.0%</b>			
Sensata Technologies BV, 5.63%, 11/01/24 (b)		220	232,100
<b>Oil, Gas &amp; Consumable Fuels 8.8%</b>			
California Resources Corp., 8.00%, 12/15/22 (b)		2,112	1,805,760
Carrizo Oil & Gas, Inc., 6.25%, 4/15/23		235	237,938
Cheniere Corpus Christi Holdings LLC (b):			
7.00%, 6/30/24		912	1,021,440
5.88%, 3/31/25		1,901	2,010,307
Chesapeake Energy Corp.:			
4.27%, 4/15/19 (c)		1,678	1,665,415
6.88%, 11/15/20		100	99,000
8.00%, 12/15/22 (b)		205	216,788
8.00%, 1/15/25 (b)		932	925,010
CONSOL Energy, Inc.:			
5.88%, 4/15/22		6,117	5,964,075
8.00%, 4/01/23		40	41,700
Continental Resources, Inc., 3.80%, 6/01/24		808	748,410
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp.:			
6.00%, 12/15/20		65	66,869
6.25%, 4/01/23		90	93,375
CrownRock LP/CrownRock Finance, Inc. (b):			
7.13%, 4/15/21		635	660,400
7.75%, 2/15/23		105	113,138

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

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## Consolidated Schedule of Investments (continued)

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>		
DCP Midstream LLC (b):		
4.75%, 9/30/21	USD 745	\$ 769,212
6.45%, 11/03/36	250	256,875
6.75%, 9/15/37	426	451,560
Denbury Resources, Inc.:		
9.00%, 5/15/21 (b)	1,288	1,387,820
5.50%, 5/01/22	633	522,225
4.63%, 7/15/23	108	84,240
Eclipse Resources Corp., 8.88%, 7/15/23	140	144,550
Energy Transfer Equity LP:		
7.50%, 10/15/20	200	224,750
5.88%, 1/15/24	1,078	1,158,850
5.50%, 6/01/27	494	523,022
EP Energy LLC/Everest Acquisition Finance, Inc.:		
9.38%, 5/01/20	493	481,907
8.00%, 11/29/24 (b)	625	662,500
Extraction Oil & Gas Holdings LLC/Extraction Finance Corp., 7.88%, 7/15/21 (b)	648	690,120
Genesis Energy LP/Genesis Energy Finance Corp., 5.63%, 6/15/24	85	84,788
Gulfport Energy Corp.:		
6.63%, 5/01/23	163	165,853
6.00%, 10/15/24 (b)	342	340,290
Halcon Resources Corp., 6.75%, 2/15/25 (b)	2,092	2,071,080
Hilcorp Energy I LP/Hilcorp Finance Co. (b):		
5.00%, 12/01/24	281	269,058
5.75%, 10/01/25	73	72,453
MEG Energy Corp. (b):		
6.50%, 3/15/21	2,599	2,657,477
6.38%, 1/30/23	54	47,925
7.00%, 3/31/24	694	624,600
6.50%, 1/15/25	2,295	2,243,362
Murphy Oil Corp.:		
6.88%, 8/15/24	673	720,446
6.13%, 12/01/42	83	78,020
Newfield Exploration Co., 5.63%, 7/01/24	223	238,610
NGPL PipeCo LLC (b):		
7.12%, 12/15/17	1,400	1,450,750
7.77%, 12/15/37	1,532	1,734,990
Noble Holding International, Ltd., 7.75%, 1/15/24	1,684	1,637,690
Oasis Petroleum, Inc.:		
6.50%, 11/01/21	1,004	1,021,570
6.88%, 3/15/22	797	810,700
ONEOK, Inc.:		
7.50%, 9/01/23	190	225,625
6.00%, 6/15/35	165	173,663
Paramount Resources Ltd., 6.88%, 6/30/23 (b)	2,515	2,660,241
Parker Drilling Co.:		
7.50%, 8/01/20	314	306,150
6.75%, 7/15/22	435	402,375
Parsley Energy LLC/Parsley Finance Corp., 5.38%, 1/15/25 (b)	315	319,725
Petroleos Mexicanos, 5.38%, 3/13/22 (b)	102	106,687
Precision Drilling Corp., 7.75%, 12/15/23 (b)	150	162,375
QEP Resources, Inc., 5.25%, 5/01/23	95	93,575
Range Resources Corp. (b):		
5.88%, 7/01/22	1,343	1,373,217
5.00%, 8/15/22	10	9,750
5.00%, 3/15/23	555	537,656
Resolute Energy Corp., 8.50%, 5/01/20	639	651,780
Rockies Express Pipeline LLC (b):		
6.85%, 7/15/18	99	104,198
6.00%, 1/15/19	26	27,300
5.63%, 4/15/20	660	696,300

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		564	600,660
		<b>Par</b>	<b>Value</b>
		<b>(000)</b>	
<b>Corporate Bonds</b>			
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>			
Rowan Cos., Inc.:			
4.88%, 6/01/22	USD	95	\$ 90,725
7.38%, 6/15/25		1,015	1,053,062
RSP Permian, Inc.:			
6.63%, 10/01/22		356	376,470
5.25%, 1/15/25 (b)		408	418,200
Sanchez Energy Corp.:			
7.75%, 6/15/21		672	688,800
6.13%, 1/15/23		2,656	2,549,760
Seven Generations Energy Ltd., 8.25%, 5/15/20 (b)		381	401,002
SM Energy Co.:			
6.50%, 11/15/21		375	383,438
6.13%, 11/15/22		187	188,403
5.00%, 1/15/24		931	872,812
5.63%, 6/01/25		390	369,038
Southwestern Energy Co.:			
5.80%, 1/23/20		2,322	2,298,780
6.70%, 1/23/25		80	76,800
Summit Midstream Holdings LLC / Summit Midstream Finance Corp., 5.75%, 4/15/25		230	233,450
Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. (b):			
5.13%, 2/01/25		248	257,920
5.38%, 2/01/27		92	95,910
Targa Resources Partners LP/Targa Resources Partners Finance Corp., 6.38%, 8/01/22		120	123,900
Tesoro Corp. (b):			
4.75%, 12/15/23		1,202	1,244,070
5.13%, 12/15/26		1,521	1,608,457
Tesoro Logistics LP/Tesoro Logistics Finance Corp.:			
6.13%, 10/15/21		81	84,544
6.25%, 10/15/22		833	891,310
Weatherford International LLC, 6.80%, 6/15/37		157	147,973
Weatherford International Ltd.:			
4.50%, 4/15/22		184	175,950
6.50%, 8/01/36		625	576,562
7.00%, 3/15/38		350	329,875
5.95%, 4/15/42		68	56,950
Whiting Petroleum Corp.:			
5.00%, 3/15/19		1,343	1,354,751
6.25%, 4/01/23		120	120,300
Williams Cos., Inc.:			
4.55%, 6/24/24		744	755,160
5.75%, 6/24/44		1,453	1,467,530
WPX Energy, Inc.:			
7.50%, 8/01/20		115	123,913
6.00%, 1/15/22		1,263	1,289,839
8.25%, 8/01/23		400	448,000
			68,901,849
<b>Paper &amp; Forest Products 0.0%</b>			
International Paper Co., 7.30%, 11/15/39		5	6,519
<b>Pharmaceuticals 1.8%</b>			
Capsugel SA, (7.00% Cash or 7.75% PIK), 7.00%, 5/15/19 (b)(c)		132	132,660
Endo Finance LLC/Endo Finco, Inc.,			
6.00%, 2/01/25 (b)		600	536,250
Ephios Bondco PLC, 6.25%, 7/01/22	EUR	100	114,691
Ephios Holdco II PLC, 8.25%, 7/01/23		100	116,690
Grifols Worldwide Operations Ltd., 5.25%, 4/01/22	USD	937	972,137
inVentiv Group Holdings, Inc./inVentiv Health, Inc./inVentiv Health Clinical, Inc.,			
7.50%, 10/01/24 (b)		1,161	1,213,245
Jaguar Holding Co. II/Pharmaceutical Product Development LLC, 6.38%, 8/01/23 (b)		2,123	2,284,879
NBTY, Inc., 7.63%, 5/15/21 (b)		1,701	1,796,681
Tennessee Merger Sub, Inc., 6.38%, 2/01/25 (b)		1,876	1,866,620

See Notes to Consolidated Financial Statements.



## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Pharmaceuticals (continued)</b>			
Valeant Pharmaceuticals International, Inc. (b):			
6.75%, 8/15/18	USD	961	\$ 946,585
7.00%, 10/01/20		1,441	1,340,130
7.50%, 7/15/21		921	846,169
6.75%, 8/15/21		215	191,350
5.63%, 12/01/21		511	430,517
7.25%, 7/15/22		1,010	909,000
6.13%, 4/15/25		812	646,555
			14,344,159
<b>Producer Durables: Miscellaneous 0.1%</b>			
Veritas US, Inc. / Veritas Bermuda Ltd. (b):			
7.50%, 2/01/23		369	391,140
10.50%, 2/01/24		200	216,000
			607,140
<b>Real Estate Investment Trusts (REITs) 0.4%</b>			
ATF Netherlands BV, 2.13%, 3/13/23			
	EUR	100	107,523
Hilton Domestic Operating Co., Inc.,			
4.25%, 9/01/24 (b)	USD	423	418,347
iStar, Inc.:			
4.00%, 11/01/17		535	537,006
5.00%, 7/01/19		375	381,563
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc., 4.50%, 9/01/26			
(b)		1,279	1,243,827
Starwood Property Trust, Inc., 5.00%, 12/15/21 (b)		638	662,722
			3,350,988
<b>Real Estate Management &amp; Development 0.4%</b>			
Realogy Group LLC/Realogy Co-Issuer Corp. (b):			
4.50%, 4/15/19		391	404,685
5.25%, 12/01/21		541	562,640
4.88%, 6/01/23		1,807	1,779,895
Rialto Holdings LLC/Rialto Corp.,			
7.00%, 12/01/18 (b)		245	249,288
			2,996,508
<b>Road &amp; Rail 0.9%</b>			
Avis Budget Car Rental LLC/Avis Budget Finance, Inc.:			
3.80%, 12/01/17 (c)		190	190,000
5.13%, 6/01/22 (b)		1,880	1,844,750
EC Finance PLC, 5.13%, 7/15/21			
	EUR	115	126,248
Florida East Coast Holdings Corp.,			
6.75%, 5/01/19 (b)	USD	1,338	1,374,795
Herc Rentals, Inc. (b):			
7.50%, 6/01/22		222	239,760
7.75%, 6/01/24		55	60,500
Hertz Corp.:			
5.88%, 10/15/20		520	507,000
7.38%, 1/15/21		358	358,000
6.25%, 10/15/22		223	212,965
5.50%, 10/15/24 (b)		714	644,385
Loxam SAS, 3.50%, 5/03/23			
	EUR	100	104,590
Penske Automotive Group, Inc., 5.38%, 12/01/24			
	USD	646	655,690
United Rentals North America, Inc., 5.50%, 7/15/25			
		2	2,110
Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (b)			
		350	366,625
			6,687,418
<b>Semiconductors &amp; Semiconductor Equipment 0.6%</b>			

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Advanced Micro Devices, Inc., 7.50%, 8/15/22		200	224,000
Micron Technology, Inc.:			
5.25%, 8/01/23 (b)		433	436,789
5.50%, 2/01/25		90	92,925
5.63%, 1/15/26 (b)		282	289,755
Microsemi Corp., 9.13%, 4/15/23 (b)		67	77,217
		<b>Par</b>	
		<b>(000)</b>	<b>Value</b>
<b>Corporate Bonds</b>			
<b>Semiconductors &amp; Semiconductor Equipment (continued)</b>			
NXP BV/NXP Funding LLC (b):			
4.13%, 6/15/20	USD	861	\$ 895,595
4.13%, 6/01/21		347	360,221
4.63%, 6/15/22		1,050	1,115,625
4.63%, 6/01/23		202	215,130
Sensata Technologies BV, 5.00%, 10/01/25 (b)		852	864,780
Sensata Technologies UK Financing Co. PLC, 6.25%, 2/15/26 (b)		200	215,500
			4,787,537
<b>Software 2.4%</b>			
BMC Software Finance, Inc., 8.13%, 7/15/21 (b)		2,838	2,880,570
Inception Merger Sub, Inc./Rackspace Hosting, Inc., 8.63%, 11/15/24 (b)		1,690	1,780,837
Infor Software Parent LLC/Infor Software Parent, Inc., (7.13% Cash or 7.88% PIK), 7.13%, 5/01/21 (b)(e)		1,666	1,711,815
Infor US, Inc., 6.50%, 5/15/22		3,047	3,168,880
Informatica LLC, 7.13%, 7/15/23 (b)		840	811,440
JDA Escrow LLC/JDA Bond Finance, Inc., 7.38%, 10/15/24 (b)		145	152,250
Nuance Communications, Inc. (b):			
5.38%, 8/15/20		437	445,513
6.00%, 7/01/24		835	863,181
PTC, Inc., 6.00%, 5/15/24		197	210,298
Solera LLC/Solera Finance, Inc., 10.50%, 3/01/24 (b)		2,716	3,096,240
SS&C Technologies Holdings, Inc., 5.88%, 7/15/23		1,485	1,570,388
TIBCO Software, Inc., 11.38%, 12/01/21 (b)		2,212	2,405,550
			19,096,962
<b>Specialty Retail 0.4%</b>			
Asbury Automotive Group, Inc., 6.00%, 12/15/24		1,605	1,669,200
JC Penney Corp., Inc.:			
8.13%, 10/01/19		59	62,835
7.40%, 4/01/37		341	276,210
L Brands, Inc., 6.88%, 11/01/35		208	199,940
Penske Automotive Group, Inc., 5.75%, 10/01/22		365	378,688
Sonic Automotive, Inc., 5.00%, 5/15/23		146	143,445
			2,730,318
<b>Technology Hardware, Storage &amp; Peripherals 0.6%</b>			
Diamond 1 Finance Corp./Diamond 2 Finance Corp. (b):			
4.42%, 6/15/21		365	382,756
7.13%, 6/15/24		1,277	1,410,978
6.02%, 6/15/26		445	489,311
8.35%, 7/15/46		385	502,057
Western Digital Corp.:			
7.38%, 4/01/23 (b)		391	429,122
10.50%, 4/01/24		1,315	1,538,550
			4,752,774
<b>Textiles, Apparel &amp; Luxury Goods 0.0%</b>			
BiSoho SAS, 5.88%, 5/01/23	EUR	100	113,091
PVH Corp., 4.50%, 12/15/22	USD	122	123,525
			236,616
<b>Thriffs &amp; Mortgage Finance 0.0%</b>			
Jerrold Finco PLC, 6.25%, 9/15/21	GBP	100	128,118
<b>Trading Companies &amp; Distributors 0.0%</b>			
Ashtead Capital, Inc., 5.63%, 10/01/24 (b)	USD	320	339,200
<b>Transportation Infrastructure 0.0%</b>			
CMA CGM SA, 7.75%, 1/15/21	EUR	100	103,558
<b>Utilities 0.0%</b>			

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ContourGlobal Power Holdings SA, 5.13%, 6/15/21

100

112,148

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

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## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Wireless Telecommunication Services 3.6%</b>			
Communications Sales & Leasing, Inc./CSL Capital LLC:			
6.00%, 4/15/23 (b)	USD	255	\$ 267,750
8.25%, 10/15/23		2,215	2,400,506
7.13%, 12/15/24 (b)		1,172	1,207,160
Crown Castle Towers LLC, 6.11%, 1/15/40 (b)		375	409,086
Digicel Group Ltd., 7.13%, 4/01/22 (b)		485	392,981
Digicel Ltd., 6.00%, 4/15/21 (b)		2,228	2,059,430
GEO Group, Inc.:			
5.88%, 1/15/22		90	93,713
5.13%, 4/01/23		373	373,933
5.88%, 10/15/24		608	626,240
6.00%, 4/15/26		295	307,095
Matterhorn Telecom SA, 3.88%, 5/01/22	EUR	100	109,913
Sprint Capital Corp.:			
6.90%, 5/01/19	USD	270	287,636
6.88%, 11/15/28		1,973	2,103,711
Sprint Communications, Inc.:			
9.00%, 11/15/18 (b)		6,417	7,018,594
7.00%, 8/15/20		540	582,525
Sprint Corp.:			
7.88%, 9/15/23		1,079	1,200,387
7.13%, 6/15/24		4,958	5,353,103
7.63%, 2/15/25		430	479,450
T-Mobile USA, Inc.:			
6.63%, 4/28/21		390	405,678
6.13%, 1/15/22		81	85,658
6.73%, 4/28/22		1,172	1,218,880
6.00%, 3/01/23		653	690,547
6.84%, 4/28/23		85	90,661
6.50%, 1/15/24		584	627,508
			28,392,145
<b>Total Corporate Bonds 70.8%</b>			<b>552,450,422</b>
<b>Floating Rate Loan Interests (c)</b>			
<b>Aerospace &amp; Defense 0.8%</b>			
BE Aerospace, Inc., 2014 Term Loan B, 3.94%, 12/16/21			
		1,426	1,431,826
Engility Corp.:			
Term Loan B1, 5.03%, 8/12/20		239	240,592
Term Loan B2, 4.53%, 8/12/23		438	442,718
TransDigm, Inc.:			
2015 Term Loan E, 3.78%, 5/14/22		692	694,844
2016 Extended Term Loan F, 3.78%, 6/09/23		2,762	2,774,850
Term Loan D, 4.00%, 6/04/21		829	831,709
			6,416,539
<b>Air Freight &amp; Logistics 1.1%</b>			
Avolon TLB Borrower 1 (Luxembourg) Sarl, Term Loan B2, 3.50%, 1/13/22			
		5,050	5,137,365
CEVA Group PLC, Synthetic LOC, 6.50%, 3/19/21		701	610,199
CEVA Intercompany BV, Dutch Term Loan, 6.54%, 3/19/21		720	626,585
CEVA Logistics Canada ULC, Canadian Term Loan, 6.54%, 3/19/21		124	107,892
CEVA Logistics US Holdings, Inc., Term Loan, 6.54%, 3/19/21		949	825,922
XPO Logistics, Inc., Term Loan B2, 4.30%, 11/01/21		1,579	1,591,539
			8,899,502
<b>Airlines 0.1%</b>			
Northwest Airlines, Inc.:			
3.08%, 4/30/17		82	82,194

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2.46%, 9/10/18		302	297,594
			379,788
<b>Floating Rate Loan Interests (c)</b>		<b>Par</b>	<b>Value</b>
<b>Auto Components 0.9%</b>		<b>(000)</b>	
Anchor Glass Container Corp., 2016 1st Lien Term Loan, 4.25%, 12/07/23	USD	365	\$ 369,260
FPC Holdings, Inc., 1st Lien Term Loan, 5.25%, 11/19/19		1,149	1,078,839
Gates Global LLC, Term Loan B, 4.25%, 7/06/21		5,157	5,157,379
Goodyear Tire & Rubber Co., 2nd Lien Term Loan, 3.78%, 4/30/19		401	401,333
			7,006,811
<b>Automobiles 0.1%</b>			
CH Hold Corp.:			
1st Lien Term Loan, 11.38%, 2/01/24		820	828,101
Delayed Draw Term Loan B, 4.50%, 1/18/24		80	80,897
			908,998
<b>Building Materials 0.8%</b>			
Forterra, Inc., Term Loan B, 4.50%, 10/25/23		525	529,669
USAGM HoldCo LLC:			
2015 2nd Lien Term Loan, 9.54%, 7/28/23		895	907,306
2015 Term Loan, 4.79%, 7/28/22		1,655	1,658,046
2016 Incremental Delayed Draw Term Loan, 5.50%, 7/28/22		365	366,737
2016 Incremental Term Loan, 5.50%, 7/28/22		3,001	3,018,904
			6,480,662
<b>Building Products 1.9%</b>			
Continental Building Products LLC, 2017 Term Loan B, 3.03%, 8/18/23		1,427	1,437,901
CPG International, Inc., Term Loan, 4.75%, 9/30/20		3,899	3,921,449
GYP Holdings III Corp., 1st Lien Term Loan, 4.54%, 4/01/21		1,380	1,387,484
Jeld-Wen, Inc., Term Loan B2, 4.75%, 7/01/22		1,659	1,668,922
Ply Gem Industries, Inc., Term Loan, 4.00%, 2/01/21		1,222	1,227,180
Quikrete Holdings, Inc., 2016 1st Lien Term Loan, 4.02%, 11/15/23		2,495	2,523,842
Wilsonart LLC, 2016 Term Loan, 4.50%, 12/19/23		2,646	2,661,644
			14,828,422
<b>Capital Markets 0.2%</b>			
Affinion Group, Inc., Term Loan B, 6.75%, 4/30/18		425	423,327
RPI Finance Trust, Term Loan B5, 3.50%, 10/14/22		1,127	1,139,307
			1,562,634
<b>Chemicals 1.6%</b>			
Atotech BV, 2017 Term Loan B1, 4.00%, 1/31/24		715	722,150
Axalta Coating Systems US Holdings, Inc., Term Loan B1, 3.50%, 2/01/23		2,103	2,128,174
CeramTec Acquisition Corp., Term Loan B2, 4.30%, 8/30/20		72	71,834
Chemours Co., Term Loan B, 3.79%, 5/12/22		148	149,238
MacDermid, Inc.:			
2016 Term Loan, 5.00%, 6/07/23		2,186	2,209,403
Term Loan B5, 4.50%, 6/07/20		338	341,771
OXEA Finance LLC, Term Loan B2, 4.25%, 1/15/20		2,374	2,344,050
PQ Corp., 2016 Term Loan, 5.29%, 11/04/22		697	706,283
Royal Holdings, Inc.:			
2015 2nd Lien Term Loan, 8.50%, 6/19/23		361	361,831
2017 Term Loan B, 4.25%, 6/30/22		512	515,242
Solenis International LP, 2nd Lien Term Loan, 7.80%, 7/31/22		1,915	1,890,258
Tata Chemicals North America, Inc., Term Loan B, 3.75%, 8/07/20		573	573,460
Versum Materials, Inc., Term Loan, 3.50%, 9/29/23		713	721,685
			12,735,379
<b>Commercial Services &amp; Supplies 4.0%</b>			
Advanced Disposal Services, Inc., Term Loan B3, 3.50%, 11/10/23		1,992	2,011,600

See Notes to Consolidated Financial Statements.





## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Commercial Services &amp; Supplies (continued)</b>			
Aramark Services, Inc.:			
Term Loan E, 3.28%, 9/07/19	USD	1,778	\$ 1,795,771
Term Loan F, 3.50%, 2/24/21		1,192	1,203,490
Asurion LLC:			
2016 Term Loan B2, 4.03%, 7/08/20		470	474,864
Term Loan B4, 4.25%, 8/04/22		2,439	2,467,711
Term Loan B5, 4.75%, 11/03/23		1,416	1,434,666
Brand Energy & Infrastructure Services, Inc., Term Loan B, 4.79%, 11/26/20		1,956	1,956,178
Camelot UK Holdco Ltd., Term Loan B, 4.75%, 10/03/23		4,973	5,027,434
Catalent Pharma Solutions, Inc., Term Loan B, 3.75%, 5/20/21		2,436	2,464,374
Creative Artists Agency LLC, 2017 1st Lien Term Loan B, 4.75%, 2/15/24		1,300	1,312,194
Employbridge LLC, Exit Term Loan, 7.50%, 5/16/20		517	480,976
GCA Services Group, Inc., 2016 Term Loan, 5.99%, 3/01/23		1,250	1,262,249
KAR Auction Services, Inc., Term Loan B3, 4.50%, 3/09/23		903	913,905
Livingston International, Inc., 1st Lien Term Loan, 5.50%, 4/18/19		830	818,837
Prime Security Services Borrower LLC, 2016 1st Lien Term Loan, 4.25%, 5/02/22		2,188	2,208,064
Spin Holdco, Inc., Term Loan B, 4.28%, 11/14/19		3,076	3,063,724
US Security Associates Holdings, Inc., 2016 Term Loan, 6.00%, 7/14/23		1,671	1,689,609
Waste Industries USA, Inc., 2016 Term Loan, 3.53%, 2/27/20		645	648,389
			31,234,035
<b>Communications Equipment 0.6%</b>			
Applied Systems, Inc.:			
1st Lien Term Loan, 4.00%, 1/25/21		569	572,618
2nd Lien Term Loan, 7.50%, 1/24/22		534	538,107
Avaya, Inc.:			
DIP Term Loan, 3.28%, 1/24/18		215	221,839
Term Loan B7, 6.28%, 5/29/20		935	746,023
CommScope, Inc., Term Loan B5, 3.28%, 12/29/22		548	553,028
Riverbed Technology, Inc., 2016 Term Loan, 4.25%, 4/24/22		2,295	2,312,820
			4,944,435
<b>Construction &amp; Engineering 0.5%</b>			
CNT Holdings III Corp., 2017 Term Loan, 4.25%, 1/22/23		645	648,757
Safway Group Holding LLC, Term Loan B, 5.75%, 8/19/23		2,279	2,307,779
USIC Holdings, Inc., 2016 1st Lien Term Loan, 4.75%, 12/08/23		835	839,701
			3,796,237
<b>Construction Materials 0.3%</b>			
Filtration Group Corp.:			
1st Lien Term Loan, 4.30%, 11/21/20		1,575	1,587,678
Delayed Draw Term Loan, 3.77%, 11/21/20		1,081	1,084,801
			2,672,479
<b>Containers &amp; Packaging 0.9%</b>			
Ardagh Holdings USA, Inc., Incremental Term Loan, 4.01%, 12/17/21		424	424,567
Berry Plastics Group, Inc., Term Loan I, 3.28%, 10/03/22		3,990	4,017,088
BWAY Holding Co., 2016 Term Loan B, 4.75%, 8/14/23		1,025	1,024,865
Flex Acquisition Company, Inc., 1st Lien Term Loan, 4.25%, 12/29/23		1,150	1,157,762
			6,624,282
<b>Floating Rate Loan Interests (c)</b>			
<b>Distributors 0.3%</b>			
American Builders & Contractors Supply Co., Inc., Term Loan B, 3.53%, 10/31/23	USD	2,322	\$ 2,341,162
American Tire Distributors Holdings, Inc., 2015 Term Loan, 5.25%, 9/01/21		295	293,400
			2,634,562
<b>Diversified Consumer Services 1.2%</b>			

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Bright Horizons Family Solutions, Inc., 2016 Term Loan B, 3.52%, 11/07/23	2,993	3,023,782
Serta Simmons Holdings LLC, 2nd Lien Term Loan, 9.04%, 11/08/24	885	901,594
ServiceMaster Co., 2016 Term Loan B, 3.28%, 11/08/23	4,880	4,928,800
Weight Watchers International, Inc., Term Loan B2, 4.25%, 4/02/20	809	709,557
		9,563,733
<b>Diversified Financial Services 0.3%</b>		
AlixPartners LLP, 2016 Term Loan B, 4.00%, 7/28/22	1,686	1,701,184
SAM Finance Luxembourg Sarl, Term Loan, 4.25%, 12/17/20	262	263,890
		1,965,074
<b>Diversified Telecommunication Services 3.7%</b>		
Consolidated Communications, Inc., Term Loan B2, 6.54%, 10/05/23	680	683,883
Hawaiian Telcom Communications, Inc., Term Loan B, 5.29%, 6/06/19	806	805,770
Integra Telecom, Inc.:		
2015 1st Lien Term Loan, 5.29%, 8/14/20	1,743	1,743,714
2nd Lien Term Loan, 9.75%, 2/12/21	1,063	1,062,451
Level 3 Financing Inc., 2017 Term Loan B, 4.25%, 2/14/24	8,075	8,112,468
Sprint Communications, Inc., 1st Lien Term Loan B, 3.31%, 2/02/24	3,035	3,039,340
Telenet International Finance Sarl, Term Loan AF, 3.77%, 1/31/25	2,780	2,804,325
Telesat Canada, 2017 Term Loan B, 3.85%, 11/17/23	1,347	1,360,091
Virgin Media Investment Holdings Ltd., Term Loan I, 3.52%, 1/31/25	3,470	3,483,499
Zayo Group LLC, 2017 Term Loan B2, 3.50%, 1/19/24	5,765	5,818,960
		28,914,501
<b>Electric Utilities 1.2%</b>		
Energy Future Intermediate Holding Co. LLC, 2016 DIP Term Loan, 4.30%, 6/30/17	6,104	6,119,720
Lightstone Generation LLC:		
Term Loan B, 6.54%, 11/22/23	647	656,521
Term Loan C, 6.54%, 11/22/23	62	62,526
TEX Operations Co. LLC:		
Exit Term Loan B, 3.53%, 8/04/23	1,491	1,498,194
Exit Term Loan C, 3.53%, 8/04/23	340	341,807
Texas Competitive Electric Holdings Co. LLC/TCEH Finance, Inc., Escrow, 5.03%, 11/10/17	2,375	
Vistra Operations Co. LLC, 2016 Term Loan B2, 4.02%, 12/14/23	710	714,104
		9,392,872
<b>Energy Equipment &amp; Services 0.1%</b>		
Weatherford International Ltd., Term Loan, 3.09%, 7/13/20	911	890,490
<b>Food &amp; Staples Retailing 2.3%</b>		
Albertsons LLC:		
2016 Term Loan B4, 3.78%, 8/22/21	3,810	3,855,593
2016 Term Loan B5, 4.25%, 12/22/22	543	550,685

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Food &amp; Staples Retailing (continued)</b>			
BJ's Wholesale Club, Inc.:			
2017 1st Lien Term Loan, 4.75%, 2/03/24	USD	2,635	\$ 2,613,604
2017 2nd Lien Term Loan, 8.50%, 2/03/25		1,115	1,113,372
Hostess Brands LLC, 2016 1st Lien Term Loan, 4.00%, 8/03/22		2,818	2,850,707
Rite Aid Corp.:			
5.75%, 8/21/20		695	696,737
4.88%, 6/21/21		1,475	1,479,912
US Foods, Inc., 2016 Term Loan B, 3.53%, 6/27/23		4,801	4,859,686
			18,020,296
<b>Food Products 1.7%</b>			
Blue Ribbon LLC, Term Loan, 5.00%, 11/13/21		1,100	1,087,533
Chobani LLC, 1st Lien Term Loan, 5.25%, 10/07/23		1,085	1,097,890
Dole Food Co., Inc., Term Loan B, 4.50%, 11/01/18		1,572	1,576,482
JBS USA LLC, 2017 Term Loan B, 3.28%, 10/30/22		1,970	1,980,677
Pinnacle Foods Finance LLC, 2017 Term Loan B, 4.25%, 2/02/24		2,570	2,581,771
Reddy Ice Corp.:			
1st Lien Term Loan, 6.75%, 5/01/19		1,796	1,769,201
2nd Lien Term Loan, 10.75%, 11/01/19		724	632,595
Reynolds Group Holdings Inc., 2017 Term Loan, 3.78%, 2/05/23		2,206	2,222,156
			12,948,305
<b>Health Care Equipment &amp; Supplies 1.9%</b>			
Alere, Inc., 2015 Term Loan B, 4.25%, 6/18/22		1,562	1,564,379
Capsugel Holdings US, Inc., Term Loan B, 4.00%, 7/31/21		2,167	2,170,689
Cotiviti Corp., Term Loan B, 3.75%, 9/28/23		2,300	2,315,961
DJO Finance LLC, 2015 Term Loan, 4.25%, 6/08/20		2,655	2,604,802
Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18		1,529	1,509,100
National Vision, Inc., 1st Lien Term Loan, 4.00%, 3/12/21		2,680	2,678,521
Ortho-Clinical Diagnostics, Inc., Term Loan B, 4.75%, 6/30/21		2,254	2,232,177
			15,075,629
<b>Health Care Providers &amp; Services 4.4%</b>			
Air Medical Group Holdings, Inc., Term Loan B, 4.25%, 4/28/22		624	624,737
CHG Healthcare Services, Inc., 2016 Term Loan B, 4.75%, 6/07/23		2,159	2,185,671
Community Health Systems, Inc.:			
Term Loan F, 4.19%, 12/31/18		1,177	1,173,629
Term Loan G, 3.75%, 12/31/19		1,486	1,472,616
Term Loan H, 4.00%, 1/27/21		1,237	1,215,126
Curo Health Services Holdings, Inc., 2015 1st Lien Term Loan, 6.50%, 2/07/22		585	586,817
DaVita HealthCare Partners, Inc., Term Loan B, 3.53%, 6/24/21		6,835	6,918,476
Envision Healthcare Corp., 2016 Term Loan B, 4.00%, 12/01/23		5,195	5,257,755
inVentiv Health, Inc., 2016 Term Loan B, 4.80%, 11/09/23		2,825	2,841,736
MPH Acquisition Holdings LLC, 2016 Term Loan B, 5.00%, 6/07/23		2,187	2,219,975
National Mentor Holdings, Inc., Term Loan B, 4.25%, 1/31/21		671	670,739
Precyse Acquisition Corp., 2016 1st Lien Term Loan, 6.50%, 10/20/22		1,327	1,343,250
Sterigenics-Nordion Holdings LLC, 2015			
Term Loan B, 4.25%, 5/15/22		1,534	1,533,514
Surgery Center Holdings, Inc., 1st Lien Term Loan, 4.75%, 11/03/20		1,345	1,352,656
Surgical Care Affiliates, Inc., Incremental Term Loan B, 3.75%, 3/17/22		987	987,911
			Par (000)
			Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Health Care Providers &amp; Services (continued)</b>			
Team Health, Inc., 1st Lien Term Loan, 3.75%, 2/06/24	USD	2,095	\$ 2,088,464
U.S. Renal Care, Inc., 2015 Term Loan B, 5.25%, 12/31/22		879	808,450
Vizient, Inc., 2016 Term Loan B, 5.00%, 2/13/23		1,333	1,350,479

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		34,632,001
<b>Health Care Technology 1.1%</b>		
Change Healthcare Holdings, Inc., 2017		
Term Loan B, 3.03%, 2/08/24	5,345	5,367,289
IMS Health, Inc., 2016 Term Loan B, 3.50%, 3/17/21	2,543	2,553,412
Press Ganey Holdings, Inc., 1st Lien Term Loan, 4.25%, 10/21/23	945	946,181
		8,866,882
<b>Hotels, Restaurants &amp; Leisure 4.2%</b>		
Amaya Holdings BV:		
1st Lien Term Loan, 5.00%, 8/01/21	2,317	2,318,680
2nd Lien Term Loan, 8.00%, 8/01/22	2,200	2,205,931
Boyd Gaming Corp.:		
Term Loan B, 4.00%, 8/14/20	812	814,803
Term Loan B2, 3.71%, 9/15/23	602	608,320
Bronco Midstream Funding LLC, Term Loan B, 5.06%, 8/15/20	1,601	1,608,753
Burger King Capital Holdings LLC., 2017		
Term Loan B, 3.25%, 2/14/24	4,166	4,162,970
Caesars Entertainment Operating Co.,		
Term Loan B7 (Non RSA), 3.71%, 3/01/22	1,685	2,023,399
Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/11/20	8,324	8,393,636
CCM Merger, Inc., Term Loan B, 4.03%, 8/08/21	968	975,009
ESH Hospitality, Inc., 2016 Term Loan B, 3.78%, 8/30/23	1,865	1,877,916
Four Seasons Holdings, Inc., 1st Lien Term Loan, 4.00%, 11/30/23	215	217,918
Hilton Worldwide Finance LLC:		
Term Loan B1, 3.50%, 10/26/20	101	101,638
Term Loan B2, 3.28%, 10/25/23	756	759,218
La Quinta Intermediate Holdings LLC, Term Loan B, 3.77%, 4/14/21	454	456,527
Las Vegas Sands LLC, 2016 Term Loan B, 3.04%, 12/19/20	1,597	1,607,452
Sabre GLOBL, Inc., Term Loan B, 3.53%, 2/08/24	1,233	1,242,034
Scientific Games International, Inc., 2017 Term Loan B3, 4.77%, 10/01/21	1,527	1,550,050
Station Casinos LLC, 2016 Term Loan B, 3.28%, 6/08/23	1,139	1,144,333
Yum! Brands, Inc., 1st Lien Term Loan B, 3.53%, 6/16/23	905	916,958
		32,985,545
<b>Household Products 0.7%</b>		
Serta Simmons Bedding LLC, 1st Lien Term Loan, 4.54%, 11/08/23		
Spectrum Brands, Inc., 2016 Term Loan, 3.51%, 6/23/22	1,767	1,789,152
		5,223,482
<b>Independent Power and Renewable Electricity Producers 0.9%</b>		
Calpine Construction Finance Co., LP,		
Term Loan B1, 3.03%, 5/03/20	793	792,252
Calpine Corp.:		
Term Loan B5, 3.75%, 1/15/24	465	466,973
Term Loan B6, 3.75%, 1/15/23	1,168	1,173,492
Dynegy, Inc., 2017 Term Loan C, 4.25%, 6/27/23	2,539	2,563,861
Granite Acquisition, Inc.:		
Term Loan B, 5.00%, 12/19/21	1,674	1,689,481
Term Loan C, 5.00%, 12/19/21	75	75,854
		6,761,913

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Industrial Conglomerates 0.4%</b>			
Cortes NP Acquisition Corp., Term Loan B, 6.04%, 11/30/23	USD	2,840	\$ 2,860,227
Sequa Corp., Term Loan B, 5.25%, 6/19/17		373	359,404
			3,219,631
<b>Insurance 1.0%</b>			
Alliant Holdings I, Inc., 2015 Term Loan B, 4.50%, 8/12/22		1,194	1,204,256
AmWINS Group, Inc., 2017 Term Loan B, 3.75%, 1/25/24		920	924,600
AssuredPartners, Inc., 2016 Term Loan B, 5.25%, 10/21/22		1,144	1,155,449
Hub International Ltd., Term Loan B, 4.03%, 10/02/20		1,072	1,079,624
Sedgwick Claims Management Services, Inc.:			
1st Lien Term Loan, 3.75%, 3/01/21		1,624	1,627,729
2nd Lien Term Loan, 6.75%, 2/28/22		1,650	1,654,818
			7,646,476
<b>Internet &amp; Direct Marketing Retail 0.3%</b>			
Harbor Freight Tools USA, Inc., 2016 Term Loan B, 3.78%, 8/19/23		2,021	2,022,410
<b>Internet Software &amp; Services 0.7%</b>			
Go Daddy Operating Co. LLC:			
Delayed Draw Term Loan, 2.50%, 2/15/24		1,503	1,505,838
2017 Term Loan B, 4.50%, 2/02/24		1,131	1,133,341
Rackspace Hosting, Inc., 1st Lien Term Loan, 4.53%, 11/03/23		2,305	2,329,502
W3 Co., 2nd Lien Term Loan, 9.25%, 9/11/20		289	79,068
			5,047,749
<b>IT Services 2.1%</b>			
Cision US, Inc., Term Loan B, 7.00%, 6/16/23		1,139	1,145,917
First Data Corp., 2016 Term Loan, 3.78%, 3/24/21		9,199	9,278,079
TKC Holdings, Inc., 2017 Term Loan, 4.75%, 2/01/23		1,400	1,410,500
Vantiv LLC, 2014 Term Loan B, 3.27%, 10/14/23		798	805,764
VF Holding Corp., Reprice Term Loan, 4.25%, 6/30/23		1,157	1,166,507
WEX, Inc., Term Loan B, 4.28%, 7/01/23		2,463	2,499,564
			16,306,331
<b>Machinery 1.0%</b>			
Faenza Acquisition GmbH:			
Term Loan B1, 4.30%, 8/30/20		614	615,612
Term Loan B3, 4.30%, 8/30/20		187	187,914
Gardner Denver, Inc., Term Loan, 4.57%, 7/30/20		1,182	1,178,717
Milacron LLC, Amended Term Loan B, 3.78%, 6/20/23		555	557,431
Mueller Water Products, Inc., 2017 Term Loan B, 3.28%, 11/26/21		559	563,840
Navistar International Corp., 2017 Term Loan B, 5.00%, 8/07/20		761	765,431
Rexnord LLC, 2016 Term Loan B, 3.75%, 8/21/23		1,323	1,330,523
Signode Industrial Group US, Inc., Term Loan B, 4.00%, 5/01/21		890	892,965
Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19		2,057	1,960,742
			8,053,175
<b>Media 5.8%</b>			
Altice US Finance I Corp., 2016 Term Loan B, 3.78%, 1/15/25		3,264	3,298,390
AMC Entertainment, Inc., Term Loan B, 3.53%, 12/15/23		665	671,983
CBS Radio, Inc., Term Loan B, 4.50%, 10/17/23		1,318	1,329,266
<b>Floating Rate Loan Interests (c)</b>			
<b>Media (continued)</b>			
Charter Communications Operating LLC, 2016 Term Loan I Add, 3.03%, 1/15/24	USD	4,575	\$ 4,603,198
CSC Holdings LLC, 2016 Term Loan, 3.77%, 10/11/24		3,042	3,071,521
Houghton Mifflin Harcourt Publishing Co., 2015 Term Loan B, 4.00%, 5/31/21		1,718	1,594,621
iHeartCommunications, Inc., Term Loan D, 7.53%, 1/30/19		3,967	3,442,500
Intelsat Jackson Holdings SA, Term Loan B2, 3.75%, 6/30/19		5,281	5,244,544

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Live Nation Entertainment, Inc., Term Loan B2, 3.31%, 10/31/23	605	611,792
Mission Broadcasting, Inc., 2016 Term Loan B2, 3.77%, 1/17/24	304	308,359
Nexstar Broadcasting, Inc., 2017 Term Loan B, 3.77%, 1/17/24	3,198	3,247,072
Numericable U.S. LLC:		
Term Loan B10, 4.29%, 1/14/25	2,170	2,184,923
Term Loan B7, 5.29%, 1/15/24	3,109	3,135,682
SBA Senior Finance II LLC, Term Loan B1, 3.04%, 3/24/21	1,926	1,933,655
Trader Corp., Term Loan, 5.00%, 9/28/23	1,075	1,078,139
Tribune Media Co., Term Loan C, 3.78%, 1/27/24	2,554	2,575,719
Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20	4,244	4,259,375
Ziggo Secured Finance Partnership, Term Loan E, 3.53%, 4/23/25	2,925	2,933,365
		45,524,104
<b>Metals &amp; Mining 0.1%</b>		
Ameriforge Group, Inc., 2nd Lien Term Loan, 8.75%, 12/19/20	530	51,235
WireCo WorldGroup, Inc., 2016 1st Lien Term Loan, 6.50%, 9/30/23	514	517,350
		568,585
<b>Multiline Retail 0.1%</b>		
Hudson's Bay Co., 2015 Term Loan B, 4.25%, 9/30/22	882	866,312
<b>Oil, Gas &amp; Consumable Fuels 2.5%</b>		
California Resources Corp.:		
Second Out Term Loan, 11.38%, 12/31/21	1,845	2,078,706
Term Loan A, 3.78%, 10/01/19	1,582	1,521,111
Chesapeake Energy Corp., Term Loan, 8.55%, 8/23/21	1,947	2,102,369
CITGO Holding, Inc., 2015 Term Loan B, 9.50%, 5/12/18	824	837,457
Drillships Financing Holding, Inc., Term Loan B1, 6.06%, 3/31/21	1,400	1,144,927
Energy Transfer Equity LP, 2017 Term Loan B, 3.53%, 2/02/24	1,885	1,889,826
MEG Energy Corp., 2017 Term Loan B, 4.75%, 12/31/23	3,415	3,433,542
Panda Patriot LLC, Term Loan B1, 6.75%, 12/19/20	501	490,003
Peabody Energy Corp., Exit Term Loan, 4.25%, 1/30/22	815	820,770
PowerTeam Services LLC, 2nd Lien Term Loan, 8.25%, 11/06/20	200	199,000
Samchully Midstream 3 LLC, Term Loan B, 5.75%, 10/20/21	1,186	1,162,340
Seventy Seven Operating LLC, Term Loan B, 3.78%, 6/25/20	186	184,403
Ultra Resources, Inc., Revolver, 3.53%, 4/06/17 (a)(f)	1,674	1,709,573
Veresen Midstream Limited Partnership, Term Loan B1, 5.25%, 3/31/22	1,875	1,894,135
		19,468,162

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

	Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>		
<b>Personal Products 0.5%</b>		
Prestige Brands, Inc., Term Loan B4, 3.53%, 1/26/24	USD 2,047	\$ 2,071,543
Revlon Consumer Products Corp., 2016 Term Loan B, 4.28%, 9/07/23	1,940	1,950,575
		4,022,118
<b>Pharmaceuticals 3.3%</b>		
Akorn, Inc., Term Loan B, 5.25%, 4/16/21	1,349	1,367,965
DPx Holdings BV, 2014 Incremental Term Loan, 4.25%, 3/11/21	4,625	4,644,571
Endo Luxembourg Finance Co. I Sarl, 2015 Term Loan B, 3.81%, 9/26/22	2,209	2,217,850
Grifols Worldwide Operations USA, Inc., 2017 Acquisition Term Loan, 2.97%, 1/31/25	5,985	6,004,631
Jaguar Holding Co. II, 2015 Term Loan B, 4.25%, 8/18/22	4,121	4,142,004
Valeant Pharmaceuticals International, Inc.:		
Series C2 Term Loan B, 5.28%, 12/11/19	999	1,003,311
Series D2 Term Loan B, 5.03%, 2/13/19	1,467	1,473,226
Series E Term Loan B, 5.27%, 8/05/20	1,439	1,446,815
Series F1 Term Loan B, 5.53%, 4/01/22	3,279	3,299,876
		25,600,249
<b>Professional Services 1.4%</b>		
Advantage Sales & Marketing, Inc., 2014 1st Lien Term Loan, 4.25%, 7/23/21	748	744,689
Emdeon Business Services LLC, Term Loan B2, 3.75%, 11/02/18	3,421	3,425,178
Information Resources, Inc., 1st Lien Term Loan, 5.25%, 1/18/24	775	784,207
TransUnion LLC, Term Loan B2, 3.28%, 4/09/23	5,548	5,605,378
		10,559,452
<b>Real Estate Investment Trusts (REITs) 0.5%</b>		
Communications Sales & Leasing, Inc., 2017 Term Loan B, 4.00%, 10/24/22	463	465,048
MGM Growth Properties LLC, 2016 Term Loan B, 3.28%, 4/25/23	3,187	3,211,760
		3,676,808
<b>Real Estate Management &amp; Development 0.8%</b>		
CityCenter Holdings LLC, Term Loan B, 3.53%, 10/16/20	1,158	1,171,932
DTZ U.S. Borrower LLC, 2015 1st Lien Term Loan, 4.29%, 11/04/21	2,064	2,074,821
Realogy Corp., 2017 Term Loan B, 3.03%, 7/20/22	2,626	2,645,744
		5,892,497
<b>Road &amp; Rail 0.1%</b>		
SIRVA Worldwide, Inc., 2016 Term Loan, 7.50%, 11/14/22	1,125	1,099,687
<b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>		
Cavium, Inc., Term Loan B, 3.78%, 8/16/22	525	529,299
Microsemi Corp., 2015 Term Loan B, 3.03%, 1/15/23	411	413,863
ON Semiconductor Corp., Incremental Term Loan, 4.03%, 3/31/23	643	648,901
		1,592,063
<b>Software 4.5%</b>		
BMC Software Finance, Inc., Term Loan, 5.00%, 9/10/20	2,349	2,360,460
DTI Holdco, Inc., 2016 Term Loan B, 6.09%, 9/21/23	1,197	1,193,505
Hyland Software, Inc., 2017 Term Loan, 3.75%, 7/01/22	275	278,223
Infor (US), Inc., Term Loan B6, 3.75%, 2/01/22	2,874	2,875,934
	<b>Par (000)</b>	<b>Value</b>
<b>Floating Rate Loan Interests (c)</b>		
<b>Software (continued)</b>		
Informatica Corp., Term Loan, 4.50%, 8/05/22	USD 3,694	\$ 3,670,788
IQOR US, Inc., Term Loan B, 6.00%, 4/01/21	706	683,736
Kronos, Inc.:		
1st Lien Term Loan, 5.00%, 11/01/23	2,615	2,644,680
2nd Lien Term Loan, 9.28%, 11/01/24	1,175	1,214,022



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LANDesk Group, Inc., 2017 Term Loan B, 5.25%, 1/20/24	335	336,615
Mitchell International, Inc.:		
1st Lien Term Loan, 4.54%, 10/13/20	1,983	1,994,219
2nd Lien Term Loan, 8.50%, 10/11/21	1,250	1,247,662
Optiv Security, Inc., 1st Lien Term Loan, 4.25%, 2/01/24	2,590	2,605,384
RP Crown Parent LLC, 2016 Term Loan B, 4.50%, 10/12/23	2,004	2,020,621
SolarWinds, Inc., 2017 Term Loan, 4.50%, 2/05/23	2,488	2,490,933
Solera LLC, Term Loan B, 5.75%, 3/03/23	1,327	1,334,544
Sophia LP, 2017 Term Loan B, 4.25%, 9/30/22	1,765	1,771,121
SS&C Technologies, Inc.:		
2015 Term Loan B1, 4.03%, 7/08/22	2,482	2,494,007
2015 Term Loan B2, 4.03%, 7/08/22	238	239,342
Synchronoss Technologies, Inc., Term Loan, 4.25%, 1/19/24	1,560	1,563,900
Tibco Software Inc., 2017 Term Loan B, 5.50%, 12/04/20	1,919	1,942,795
		34,962,491
<b>Specialty Retail 1.3%</b>		
Academy Ltd., 2015 Term Loan B, 5.04%, 7/01/22	1,040	820,360
Bass Pro Group LLC:		
2015 Term Loan, 4.02%, 6/05/20	348	333,214
Asset Sale Term Loan, 5.72%, 6/09/18	655	655,000
Term Loan B, 5.97%, 12/16/23	750	719,482
Coinstar LLC, 1st Lien Term Loan, 5.25%, 9/27/23	711	716,717
Leslie's Poolmart, Inc., 2016 Term Loan, 4.75%, 8/16/23	833	835,536
Michaels Stores, Inc., 2016 Term Loan B1, 3.75%, 1/30/23	3,267	3,258,052
Party City Holdings, Inc., 2016 Term Loan, 3.79%, 8/19/22	2,284	2,266,136
Things Remembered, Inc., 2016 Term Loan, 3.86%, 2/29/20	1,267	316,823
		9,921,320
<b>Technology Hardware, Storage &amp; Peripherals 0.4%</b>		
Dell, Inc., 2016 Term Loan B, 4.04%, 9/07/23	3,057	3,075,987
Oberthur Technologies SA, 2016 Term Loan B1, 4.70%, 12/15/23	164	165,618
		3,241,605
<b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>		
Ascend Performance Materials LLC, Term Loan B, 6.50%, 8/12/22	2,494	2,511,145
<b>Thrifts &amp; Mortgage Finance 0.2%</b>		
IG Investment Holdings LLC, Term Loan B, 6.00%, 10/29/21	1,486	1,495,495
<b>Trading Companies &amp; Distributors 0.5%</b>		
Beacon Roofing Supply, Inc., Term Loan B, 3.71%, 10/01/22	583	585,538
HD Supply, Inc.:		
Incremental Term Loan B1, 3.75%, 8/13/21	1,486	1,495,877
Incremental Term Loan B2, 3.75%, 10/17/23	1,910	1,924,539
Nexeo Solutions LLC, 2016 Term Loan, 5.29%, 6/09/23	244	245,055
		4,251,009

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Wireless Telecommunication Services 1.7%</b>			
Ligado Networks LLC, PIK Exit Term Loan (9.75% PIK), 9.75%, 12/07/20 (e)	USD	8,914	\$ 8,718,248
LTS Buyer LLC, 1st Lien Term Loan, 4.25%, 4/13/20		3,826	3,854,115
Radiate Holdco LLC, 1st Lien Term Loan, 3.78%, 2/01/24		945	951,955
			13,524,318
<b>Total Floating Rate Loan Interests 67.5%</b>			<b>527,438,680</b>

		Shares	
<b>Investment Companies 1.8%</b>			
iShares iBoxx \$ High Yield Corporate Bond ETF (j)		157,001	13,861,618

		Beneficial Interest (000)	
<b>Other Interests (k)</b>			
<b>Auto Components 0.0%</b>			
Intermet Liquidating Trust, Class A		1,154	12

**Preferred Securities**

		Par (000)	Value
<b>Capital Trusts (l)</b>			
Banco Popular Espanol SA, 8.25% (c)		200	183,541
Banco Santander SA, 6.25% (c)		200	208,967
Bank of America Corp., Series X, 6.25% (c)		1,100	1,177,110
Barclays PLC (c):			
7.25%		200	248,165
7.88%		200	209,810
Citigroup, Inc., Series N, 5.80% (c)		1,100	1,141,250
Cooperatieve Rabobank UA, 6.63% (c)		200	228,724
Credit Agricole SA, 6.50% (c)		100	109,958
DCP Midstream LLC, 5.85% (b)(c)		115	107,525
Enel SpA (c):			
6.50%		100	114,415
7.75%		100	137,421
Gas Natural Fenosa Finance BV, 3.38% (c)		100	102,614
Goldman Sachs Group, Inc., Series L, 5.70% (c)		750	772,500
HBOS Capital Funding LP, 6.85%		100	101,750
Intesa Sanpaolo SpA, 7.00% (c)		400	424,819
JPMorgan Chase & Co., Series V, 5.00% (c)		780	784,688
Lanxess AG, 4.50% (c)		50	56,943
Repsol International Finance BV, 4.50% (c)		100	107,298
Royal Bank of Scotland Group PLC, 8.63% (c)		246	259,899
Societe Generale SA, 7.38% (b)(c)		200	202,500
Solvay Finance SA, 5.12% (c)		100	116,177
<b>Capital Trusts (l)</b>		<b>Par (000)</b>	<b>Value</b>
Telefonica Europe BV (c):			
3.75%		100	\$ 107,132
4.20%		200	222,209
5.00%		100	112,577
TOTAL SA, 3.88% (c)		100	112,794
UBS Group AG, 5.75% (c)		200	231,479
<b>Total Capital Trusts 1.0%</b>			<b>7,582,265</b>

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	Shares	
<b>Preferred Stock 0.0%</b>		
<b>Capital Markets 0.0%</b>		
Goldman Sachs Group, Inc., Series J, 5.50% (c)(1)	13,550	361,107
<b>Trust Preferred 0.2%</b>		
<b>Diversified Financial Services 0.2%</b>		
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c)	59,219	1,518,623
<b>Total Preferred Securities 1.2%</b>		9,461,995
<b>Rights 0.0%</b>		
<b>Electric Utilities 0.0%</b>		
Tex Energy LLC	39,599	53,459
<b>Oil, Gas &amp; Consumable Fuels 0.0%</b>		
Southcross Holdings LP	94	28,204
<b>Total Rights 0.0%</b>		81,663
<b>Warrants</b>		
<b>Software 0.0%</b>		
HMH Holdings/EduMedia (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$21.14)	3,049	793
<b>Transportation Infrastructure 0.0%</b>		
Jack Cooper Enterprises, Inc., Class B (Issued/exercisable 4/26/17, 1 Share for 1 Warrant, Expires 4/26/27, Strike Price \$0.01)	4,494	28,851
Turbo Cayman Ltd. (Expires 3/15/18, Strike Price \$0.01)	1	
		28,851
<b>Total Warrants 0.0%</b>		29,644
<b>Total Long-Term Investments</b>		
(Cost \$1,137,396,419) 145.0%		1,132,532,731
<b>Options Purchased</b>		
(Cost \$5,867) 0.0%		
<b>Total Investments (Cost \$1,137,402,286) 145.0%</b>		1,132,532,731
<b>Liabilities in Excess of Other Assets (45.0)%</b>		(351,723,434)
<b>Net Assets 100.0%</b>		\$ 780,809,297

Notes to Consolidated Schedule of Investments

- (a) Non-income producing security.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Variable rate security. Rate as of period end.
- (d) When-issued security.
- (e) Payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (f) Issuer filed for bankruptcy and/or is in default.

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(g) Zero-coupon bond.

(h) Convertible security.

(i) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Consolidated Schedule of Investments (continued)

(j) During the year ended February 28, 2017, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at February 29, 2016	Shares Purchased	Shares Sold	Shares Held at February 28, 2017	Value at February 28, 2017	Income	Net Realized Gain (Loss) <sup>2</sup>	Change in Unrealized Appreciation
BlackRock Liquidity Funds, T-Fund, Institutional Class						\$ 3,358	\$ 7	
BlackRock Liquidity Funds, TempFund, Institutional Class	5,011,655		(5,011,655) <sup>1</sup>			2,378		
iShares iBoxx \$ High Yield Corporate Bond ETF	267,180	126,941	(237,120)	157,001	\$ 13,861,618	1,202,554	(966,809)	\$ 3,291,775
<b>Total</b>					\$ 13,861,618	\$ 1,208,290	\$ (966,802)	\$ 3,291,775

<sup>1</sup> Represents net shares sold.

<sup>2</sup> Includes net capital gain distributions.

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

(l) Perpetual security with no stated maturity date.

For Fund compliance purposes, the Fund's industry classifications refer to 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 the investment adviser. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

## Derivative Financial Instruments Outstanding as of Period End

## Futures Contracts

Contracts	Issue	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
Short				
(1)	5-Year U.S. Treasury Note	June 2017	\$117,703	\$ 163
(4)	Euro BOBL	June 2017	\$562,160	(4)
(2)	Euro Bund Future	June 2017	\$344,962	(150)
<b>Total</b>				\$ 9

## Forward Foreign Currency Exchange Contracts

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 500,000	USD 527,074	Morgan Stanley & Co. International PLC	3/06/17	\$ 2,700
USD 12,832,960	EUR 11,922,000	Morgan Stanley & Co. International PLC	3/06/17	201,029
USD 25,354	EUR 24,000	Northern Trust Co.	3/06/17	(75)
USD 2,296,324	GBP 1,838,000	Barclays Bank PLC	3/06/17	15,504
USD 12,230,035	EUR 11,520,000	Bank of America N.A.	4/05/17	6,349
USD 2,274,281	GBP 1,829,000	Barclays Bank PLC	4/05/17	2,767
<b>Total</b>				\$ 228,274

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OTC Options Purchased

Description	Put/ Call	Counterparty	Expiration Date	Strike Price	Contracts	Value
Marsico Parent Superholdco LLC	Call	Goldman Sachs & Co.	12/14/19	USD 942.86	6	
<b>Centrally Cleared Credit Default Swaps Sell Protection</b>						

Issuer / Index	Receive Fixed Rate	Expiration Date	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Appreciation (Depreciation)
Chesapeake Energy Corp.	5.00%	12/20/21	CCC	USD 620	\$ (7,054)
Markit CDX North America High Yield Index, Series 27, Version 2	5.00%	12/20/21	B+	USD 21,174	352,240
<b>Total</b>					\$ 345,186

See Notes to Consolidated Financial Statements.

## Schedule of Investments (continued)

## OTC Credit Default Swaps Sell Protection

Issuer/Index	Receive Fixed Rate	Counterparty	Expiration Date	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Value	Premiums Paid (Received)	Unrealized Appreciation
UniCredit SPA	1.00%	Barclays Bank PLC	12/20/21	BBB-	EUR 20	\$ (700)	\$ (1,124)	\$ 424
UniCredit SPA	1.00%	BNP Paribas S.A.	12/20/21	BBB-	EUR 10	(363)	(457)	94
OTE PLC	5.00%	Goldman Sachs International	12/20/21	B+	EUR 30	2,253	1,733	520
<b>Total</b>						\$ 1,190	\$ 152	\$ 1,038

<sup>1</sup> Using Standard & Poor's (S&P's) rating of the issuer or the underlying securities of the index, as applicable.

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

## Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Consolidated Statement of Assets and Liabilities were as follows:

Assets	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Futures contracts	Net unrealized appreciation <sup>1</sup>					\$ 163		\$ 163
Forward foreign currency exchange contracts	Unrealized appreciation on forward foreign currency exchange contracts				\$ 228,349			228,349
Swaps centrally cleared	Net unrealized appreciation <sup>1</sup>		\$ 352,240					352,240
Swaps OTC	Unrealized appreciation on OTC derivatives; Swap premiums paid		2,771					2,771
<b>Total</b>			\$ 355,011		\$ 228,349	\$ 163		\$ 583,523

## Liabilities Derivative Financial Instruments

Futures contracts	Net unrealized depreciation <sup>1</sup>					\$ 154		\$ 154
Forward foreign currency exchange contracts	Unrealized depreciation on forward foreign currency exchange contracts				\$ 75			75
Swaps centrally cleared	Net unrealized depreciation <sup>1</sup>		\$ 7,054					7,054
Swaps OTC	Unrealized depreciation on OTC derivatives; Swap premiums received		1,581					1,581
<b>Total</b>			\$ 8,635		\$ 75	\$ 154		\$ 8,864

<sup>1</sup> Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Consolidated Schedule of Investments. Only current day's variation margin is reported within the Consolidated Statement of Assets and Liabilities. For the year ended February 28, 2017, the effect of derivative financial instruments in the Consolidated Statement of Operations was as follows:

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	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts					\$ (88,217)		\$ (88,217)
Forward foreign currency exchange contracts				\$ (233,773)			(233,773)
Swaps		\$ 2,143,499					2,143,499
<b>Total</b>		\$ 2,143,499		\$ (233,773)	\$ (88,217)		\$ 1,821,509
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts					\$ 39,062		\$ 39,062
Forward foreign currency exchange contracts				\$ 87,990			87,990
Swaps		\$ 477,331					477,331
<b>Total</b>		\$ 477,331		\$ 87,990	\$ 39,062		\$ 604,383

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Consolidated Schedule of Investments (continued)

## Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts – short	\$ 980,050
Forward foreign currency exchange contracts:	
Average amounts purchased – in USD	\$ 31,161,799
Average amounts sold – in USD	\$ 641,617
Credit default swaps:	
Average notional value – buy protection	\$ 153,225
Average notional value – sell protection	\$ 21,398,821

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Consolidated Financial Statements.

## Derivative Financial Instruments – Offsetting as of Period End

The Fund's derivative assets and liabilities (by type) were as follows:

	Assets	Liabilities
<b>Derivative Financial Instruments:</b>		
Futures contracts	\$ 276	\$
Forward foreign currency exchange contracts	228,349	75
Swaps – Centrally cleared	5,446	
Swaps – OTC	2,771	1,581
Total derivative assets and liabilities in the Consolidated Statement of Assets and Liabilities	\$ 236,842	\$ 1,656
Derivatives not subject to a Master Netting Agreement or similar agreement (– MNA –)	(5,722)	
Total derivative assets and liabilities subject to an MNA	\$ 231,120	\$ 1,656

<sup>1</sup> Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums paid/received in the Consolidated Statement of Assets and Liabilities.

The following table presents the Fund's derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Fund:

Counterparty	Derivative Assets		Non-cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Assets <sup>2,3</sup>
	Subject to an MNA by Counterparty	Derivatives Available for Offset <sup>1</sup>			
Bank of America N.A.	\$ 6,349				\$ 6,349
Barclays Bank PLC	18,695	\$ (1,124)			17,571
BNP Paribas S.A.	94	(94)			
Goldman Sachs International	2,253				2,253
Morgan Stanley & Co. International PLC	203,729				203,729
<b>Total</b>	<b>\$ 231,120</b>	<b>\$ (1,218)</b>			<b>\$ 229,902</b>

Counterparty

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	Derivative Liabilities Subject to an MNA by Counterparty	Derivatives Available for Offset <sup>1</sup>	Non-cash Collateral Pledged	Cash Collateral Pledged	Net Amount of Derivative Liabilities <sup>4</sup>
Barclays Bank PLC	\$ 1,124	\$ (1,124)			
BNP Paribas S.A.	457	(94)			\$ 363
Northern Trust Co.	75				75
<b>Total</b>	<b>\$ 1,656</b>	<b>\$ (1,218)</b>			<b>\$ 438</b>

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of derivative asset and/or liabilities that are subject to an MNA.

<sup>2</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>3</sup> Net amount may also include forward foreign currency exchange contracts that are not required to be collateralized.

<sup>4</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (continued)

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Consolidated Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Asset-Backed Securities		\$ 24,213,954	\$ 1,800,000	\$ 26,013,954
Common Stocks	\$ 657,246	17,768	2,519,729	3,194,743
Corporate Bonds		541,858,818	10,591,604	552,450,422
Floating Rate Loan Interests		511,464,406	15,974,274	527,438,680
Investment Companies	13,861,618			13,861,618
Other Interests			12	12
Preferred Securities	1,879,730	7,582,265		9,461,995
Rights			81,663	81,663
Warrants			29,644	29,644
Unfunded Floating Rate Loan Interests <sup>1</sup>		3,824		3,824
<b>Total</b>	\$ 16,398,594	\$ 1,085,141,035	\$ 30,996,926	\$ 1,132,536,555
<b>Derivative Financial Instruments<sup>2</sup></b>				
<b>Assets:</b>				
Foreign currency exchange contracts		\$ 228,349		\$ 228,349
Credit contracts		353,278		353,278
Interest rate contracts	\$ 163			163
<b>Liabilities:</b>				
Foreign currency exchange contracts		(75)		(75)
Credit contracts		(7,054)		(7,054)
Interest rate contracts	(154)			(154)
<b>Total</b>	\$ 9	\$ 574,498		\$ 574,507

<sup>1</sup> Unfunded floating rate loan interests are valued at the unrealized appreciation (depreciation) on the commitment.

<sup>2</sup> Derivative financial instruments are swaps, futures contracts and forward foreign currency exchange contracts. Swaps, futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, bank borrowings payable of \$318,000,000 are categorized as Level 2 within the disclosure hierarchy.

During the year ended February 28, 2017, there were no transfers between Level 1 and Level 2.

See Notes to Consolidated Financial Statements.

## Consolidated Schedule of Investments (concluded)

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

	Common Stocks	Asset-Backed Securities	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Rights	Warrants	Total
<b>Assets:</b>								
Opening balance, as of February 29, 2016	\$ 426,470	\$ 5,724,520	\$ 8,918,270	\$ 26,851,447	\$ 3,123,012		\$ 10,056	\$ 45,053,775
Transfers into Level 3 <sup>1</sup>	1,500			3,358,161				3,359,661
Transfers out of Level 3 <sup>2</sup>		(4,949,220)	(1,304,448)	(14,277,845)				(20,531,513)
Accrued discounts/premiums		4,909	2,508	93,133				100,550
Net realized gain (loss)		29,641	(799,480)	(1,390,111)	2,973,564			813,614
Net change in unrealized appreciation (depreciation) <sup>3,4</sup>	2,091,759	148,525	3,292,345	1,634,714	(1,350,779)	\$ 72,317	19,588	5,908,469
Purchases		1,786,000	482,920	10,180,188		9,346		12,458,454
Sales		(944,375)	(511)	(10,475,413)	(4,745,785)			(16,166,084)
<b>Closing Balance, as of February 28, 2017</b>	\$ 2,519,729	\$ 1,800,000	\$ 10,591,604	\$ 15,974,274	\$ 12	\$ 81,663	\$ 29,644	\$ 30,996,926
Net change in unrealized appreciation (depreciation) on investments still held at February 28, 2017 <sup>4</sup>	\$ 2,091,759	\$ 14,000	\$ 2,494,864	\$ 344,295		\$ 72,317	\$ 19,588	\$ 5,036,823

<sup>1</sup> As of February 29, 2016, the Fund used observable inputs in determining the value of certain investments. As of February 28, 2017, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments at the beginning of period value were transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of February 29, 2016, the Fund used significant unobservable inputs in determining the value of certain investments. As of February 28, 2017, the Fund used observable inputs in determining the value of the same investments. As a result, investments at the beginning of period value were transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation (depreciation) in the Consolidated Statement of Operations.

<sup>4</sup> Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at February 28, 2017 is generally due to investments no longer held or categorized as Level 3 at period end.

The following table summarizes the valuation approaches used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) to determine the value of certain of the Fund's Level 3 investments as of period end. The table does not include Level 3 investments with values based upon unadjusted third party pricing information in the amount of \$17,188,203.

	Value	Valuation Approach	Unobservable Inputs	Range of Unobservable Inputs Utilized
<b>Assets:</b>				
Common Stocks	\$ 2,519,717	Market	EBITDA Multiple <sup>1</sup>	7.0x
			Marketability Discount <sup>2</sup>	20.00%
			Time to Exit <sup>1</sup>	1 - 2 years
			Volatility <sup>1</sup>	28.7%
			Last 12 Months EBITDA Multiple <sup>1</sup>	4.63x - 6.63x
Corporate Bonds	10,591,604	Income Market	Current Fiscal Year EBITDA Multiple <sup>1</sup>	5.38x - 7.88x
			Discount Rate <sup>2</sup>	10.4%
			EBITDA Multiple <sup>1</sup>	7.0x
			Marketability Discount <sup>2</sup>	20.00%

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			Time to Exit <sup>1</sup>	1 - 2 years
			Volatility <sup>1</sup>	28.7%
Floating Rate Loan Interests	696,611	Income	Discount Rate <sup>2</sup>	4.44% - 4.55%
		Market	Last 12 Months Revenue Multiple <sup>1</sup>	0.075x
Warrants <sup>3</sup>	793	Market	Volatility <sup>1</sup>	25.00%

**Total** \$ 13,808,725

<sup>1</sup> Increase in unobservable input may result in a significant increase to value, while a decrease in the unobservable input may result in a significant decrease to value.

<sup>2</sup> Decrease in unobservable input may result in a significant increase to value, while an increase in the unobservable input may result in a significant decrease to value.

<sup>3</sup> For the year ended February 28, 2017, the valuation technique changed for certain warrants amounting to \$793 from an adjusted dealer mark to the Black-Scholes model. The change was due to changes in available market inputs.

See Notes to Consolidated Financial Statements.

## Consolidated Statement of Assets and Liabilities

February 28, 2017

<b>Assets</b>		
Investments at value unaffiliated (cost \$1,124,015,991)		\$ 1,118,671,113
Investments at value affiliated (cost \$13,386,295)		13,861,618
Cash		5,109,851
Cash pledged:		
Centrally cleared swaps		1,631,000
Futures contracts		12,000
Foreign currency at value (cost \$114,922)		114,889
Receivables:		
Interest unaffiliated		10,823,798
Investments sold		5,576,338
Variation margin on centrally cleared swaps		5,446
Dividends affiliated		1,239
Variation margin on futures contracts		276
Swap premiums paid		1,733
Unrealized appreciation on:		
Forward foreign currency exchange contracts		228,349
Unfunded floating rate loan interests		3,824
OTC derivatives		1,038
Prepaid expenses		44,441
Other assets		57,400
<b>Total assets</b>		<b>1,156,144,353</b>

<b>Liabilities</b>		
Bank overdraft		2,674,126
Payables:		
Bank borrowings		318,000,000
Investments purchased		51,980,477
Capital shares redeemed		757,163
Investment advisory fees		455,492
Interest expense		382,315
Officers and Directors fees		292,082
Income dividends		97,770
Other accrued expenses		693,975
Swap premiums received		1,581
Unrealized depreciation on forward foreign currency exchange contracts		75
Contingencies <sup>1</sup>		
<b>Total liabilities</b>		<b>375,335,056</b>

**Net Assets** \$ 780,809,297

### Net Assets Consist of

Paid-in capital	\$ 1,017,870,769
Undistributed net investment income	3,238,048
Accumulated net realized loss	(236,050,035)
Net unrealized appreciation (depreciation)	(4,249,485)

**Net Assets** \$ 780,809,297

Net asset value, based on net assets of \$780,809,297 and 61,499,287 shares outstanding, 400 million shares authorized, \$0.10 par value \$ 12.70<sup>2</sup>

<sup>1</sup> See Note 12 of the Notes to Consolidated Financial Statements for details of contingencies.

<sup>2</sup> Shares outstanding and net asset value per share reflect a one for three reverse stock split effective after the close of trading on November 15, 2016 for the shareholders of record on November 15, 2016. See Note 11 of the Notes to Consolidated Financial Statements.

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See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Consolidated Statement of Operations

Year Ended February 28, 2017

### Investment Income

Interest unaffiliated	\$ 54,614,904
Dividends affiliated	1,208,290
Dividends unaffiliated	120,367

Total investment income 55,943,561

### Expenses

Investment advisory	5,444,481
Professional	560,797
Transfer agent	138,705
Officer and Directors	122,493
Accounting services	85,352
Registration	79,014
Custodian	61,465
Printing	31,749
Miscellaneous	155,169

Total expenses excluding interest expense and income tax 6,679,225

Interest expense 3,090,441

Income tax 535,669

Total expenses 10,305,335

Less:

Fees waived by the Manager (63,355)

Fees paid indirectly (1,470)

Total expenses after fees waived and paid indirectly 10,240,510

Net investment income 45,703,051

### Realized and Unrealized Gain (Loss)

Net realized gain (loss) from:

Investments unaffiliated	1,743,476
Investments affiliated	(966,809)
Futures contracts	(88,217)
Forward foreign currency exchange contracts	(233,773)
Foreign currency transactions	955,077
Capital gain distributions from investment companies affiliated	7
Swaps	2,143,499

3,553,260

Net change in unrealized appreciation (depreciation) on:

Investments unaffiliated	74,405,751
Investments affiliated	3,291,775
Futures contracts	39,062
Forward foreign currency exchange contracts	87,990
Foreign currency translations	(14,410)
Swaps	477,331
Unfunded floating rate loan interests	3,824

78,291,323

Net realized and unrealized gain 81,844,583



**Net Increase in Net Assets Resulting from Operations**

\$ 127,547,634

See Notes to Consolidated Financial Statements.

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BLACKROCK DEBT STRATEGIES FUND, INC.

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## Consolidated Statements of Changes in Net Assets

	Year Ended	
	February 28,	February 29,
<b>Increase (Decrease) in Net Assets:</b>	<b>2017</b>	<b>2016</b>
<b>Operations</b>		
Net investment income	\$ 45,703,051	\$ 47,933,661
Net realized gain (loss)	3,553,260	(27,841,328)
Net change in unrealized appreciation (depreciation)	78,291,323	(62,650,503)
Net increase (decrease) in net assets resulting from operations	127,547,634	(42,558,170)
<b>Distributions to Shareholders<sup>1</sup></b>		
From net investment income	(46,740,255)	(50,092,741)
<b>Capital Share Transactions</b>		
Redemption of shares resulting from share repurchase program (including transaction costs)	(9,233,758)	
<b>Net Assets</b>		
Total increase (decrease) in net assets	71,573,621	(92,650,911)
Beginning of year	709,235,676	801,886,587
End of year	\$ 780,809,297	\$ 709,235,676
Undistributed net investment income, end of year	\$ 3,238,048	\$ 1,232,872

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

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## Consolidated Statement of Cash Flows

Year Ended February 28, 2017

### Cash Used for Operating Activities

Net increase in net assets resulting from operations	\$ 127,547,634
Adjustments to reconcile net increase in net assets resulting from operations to net cash used for operating activities:	
Proceeds from sales of long-term investments and principal paydowns	552,719,643
Purchases of long-term investments	(675,965,250)
Net proceeds from sales of short-term securities	5,011,655
Amortization of premium and accretion of discount on investments and other fees	(756,144)
Paid-in-kind income	(1,883,585)
Net realized gain on investments	(375,784)
Net unrealized gain on investments, swaps, foreign currency translations and unfunded floating rate loan interests	(77,812,266)
<b>(Increase) Decrease in Assets:</b>	
Cash Pledged:	
Futures contracts	12,710
Centrally cleared swaps	(371,000)
Receivables:	
Interest unaffiliated	(847,112)
Swaps	2,739
Dividends affiliated	(1,214)
Variation margin on futures contracts	(276)
Variation margin on centrally cleared swaps	71,929
Swap premiums paid	(1,733)
Other assets	21,204
Prepaid expenses	38,007
<b>Increase (Decrease) in Liabilities:</b>	
Payables:	
Investment advisory fees	66,435
Interest expense and fees	198,022
Officers and Directors fees	58,248
Variation margin on futures contracts	(4,788)
Other accrued expenses	323,936
Swap premiums received	1,581
<b>Net cash used for operating activities</b>	<b>(71,945,409)</b>

### Cash Provided by Financing Activities

Cash dividends paid to Common Shareholders	(46,872,914)
Payments on bank borrowings	(259,000,000)
Proceeds from bank borrowings	387,000,000
Net payments on redemption of Common Shares	(8,476,595)
Increase in bank overdraft	2,674,126
<b>Net cash provided by financing activities</b>	<b>75,324,617</b>

### Cash Impact from Foreign Exchange Fluctuations

Cash impact from foreign exchange fluctuations	\$ 684
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### Cash and Foreign Currency

Net increase in cash and foreign currency at value	3,379,892
Cash and foreign currency at value at beginning of year	1,844,848
<b>Cash and foreign currency at value at end of year</b>	<b>\$ 5,224,740</b>

### Supplemental Disclosure of Cash Flow Information

Cash paid during the year for interest expense	\$ 2,892,419
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See Notes to Consolidated Financial Statements.

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BLACKROCK DEBT STRATEGIES FUND, INC.

FEBRUARY 28, 2017

## Consolidated Financial Highlights

	Year Ended February 28,	Year Ended February 29,	Year Ended February 28,		
	2017	2016 <sup>9</sup>	2015 <sup>9</sup>	2014 <sup>9</sup>	2013 <sup>9</sup>
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 11.38	\$ 12.87	\$ 13.32	\$ 13.15	\$ 12.39
Net investment income <sup>1</sup>	0.73	0.77	0.87	0.90	0.99
Net realized and unrealized gain (loss)	1.34	(1.46)	(0.43)	0.28	0.77
Net increase (decrease) from investment operations	2.07	(0.69)	0.44	1.18	1.76
Distributions: <sup>2</sup>					
From net investment income	(0.75)	(0.80)	(0.89)	(0.99)	(1.00)
From return of capital				(0.02)	
Total distributions	(0.75)	(0.80)	(0.89)	(1.01)	(1.00)
Net asset value, end of year	\$ 12.70	\$ 11.38	\$ 12.87	\$ 13.32	\$ 13.15
Market price, end of year	\$ 11.68	\$ 9.96	\$ 11.43	\$ 12.24	\$ 13.38
<b>Total Return<sup>3</sup></b>					
Based on net asset value	19.57%	(4.73)%	4.15%	9.91%	14.78%
Based on market price	25.53%	(6.03)%	0.66%	(0.81)%	16.87%
<b>Ratios to Average Net Assets</b>					
Total expenses	1.36% <sup>4</sup>	1.18% <sup>5</sup>	1.24%	1.38% <sup>6</sup>	1.41% <sup>7</sup>
Total expenses after fees waived and paid indirectly	1.35% <sup>4</sup>	1.18% <sup>5</sup>	1.24%	1.38% <sup>6</sup>	1.41% <sup>7</sup>
Total expenses after fees waived and paid indirectly and excluding interest expense and income tax	0.87% <sup>4</sup>	0.84% <sup>5</sup>	0.89%	1.00% <sup>6</sup>	1.04% <sup>8</sup>
Net investment income	6.04%	6.29%	6.68%	6.80%	7.89% <sup>7</sup>
<b>Supplemental Data</b>					
Net assets, end of year (000)	\$ 780,810	\$ 709,236	\$ 801,887	\$ 829,737	\$ 474,953
Borrowings outstanding, end of year (000)	\$ 318,000	\$ 190,000	\$ 295,000	\$ 315,000	\$ 190,000
Asset coverage, end of year per \$1,000 of bank borrowings	\$ 3,455	\$ 4,733	\$ 3,719	\$ 3,634	\$ 3,500
Portfolio turnover rate	55%	41%	54%	54%	72%

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

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- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Ratios do not include expenses incurred indirectly as a result of investments in underlying funds of approximately 0.02%.
- <sup>5</sup> Ratios do not include expenses incurred indirectly as a result of investments in underlying funds of approximately 0.01%.
- <sup>6</sup> Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense and income tax would have been 1.31%, 1.31% and 0.94%, respectively.
- <sup>7</sup> Restated to include income taxes for the consolidated entity.
- <sup>8</sup> For the year ended February 28, 2013, the total expense ratio after fees waived and excluding interest expense, borrowing costs and income tax was 0.98%.
- <sup>9</sup> Per share operating performance amounts have been adjusted to reflect a one-for-three reverse stock split effective after the close of trading on November 15, 2016 for the shareholders of record on November 15, 2016. See Note 11 of the Notes to Consolidated Financial Statements.

See Notes to Consolidated Financial Statements.

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Notes to Consolidated Financial Statements

### 1. Organization:

BlackRock Debt Strategies Fund, Inc. (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund is registered as a diversified, closed-end management investment company. The Fund is organized as a Maryland corporation. The Fund determines and makes available for publication the net asset value (NAV) of its Common Shares on a daily basis.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the Manager) or its affiliates, are included in a complex of closed-end funds referred to as the Closed-End Complex.

**Basis of Consolidation:** The accompanying consolidated financial statements of DSU include the account of DSU Subsidiary, LLC (the Taxable Subsidiary), which is a wholly-owned taxable subsidiary of DSU. The Taxable Subsidiary enables DSU to hold an investment in an operating partnership and satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investment held by the Taxable Subsidiary are taxable to such subsidiary. A tax provision for income, if any, is shown as income tax in the Consolidated Statement of Operations for DSU. A tax provision for realized and unrealized gains, if any, is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statement of Operations for DSU. DSU may invest up to 25% of its total assets in the Taxable Subsidiary. The net assets of the Taxable Subsidiary as of period end were \$4,747,393, which is 0.6% of DSU's consolidated net assets. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to DSU.

### 2. Significant Accounting Policies:

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Foreign Currency:** The Fund's books and records are maintained in U.S. dollars. Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective dates of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

The Fund does not isolate the portion of the results of operations arising as a result of changes in the exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those investments, but are included as a component of net realized and unrealized gain (loss) from investments. The Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for federal income tax purposes.

**Segregation and Collateralization:** In cases where the Fund enters into certain investments (e.g., futures contracts, forward foreign currency exchange contracts and swaps) that would be treated as senior securities for 1940 Act purposes, the Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments. Doing so allows the investment to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Fund is informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Distributions:** Distributions from net investment income are declared monthly and paid monthly. Distributions of capital gains are recorded on the ex-dividend date and made at least annually. The character and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

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



## Notes to Consolidated Financial Statements (continued)

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Fund, if applicable. Deferred compensation liabilities are included in officers' and directors' fees payable in the Consolidated Statement of Assets and Liabilities and will remain as a liability of the Fund until such amounts are distributed in accordance with the Plan.

**Recent Accounting Standards:** In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update Restricted Cash which will require entities to include the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the beginning and ending cash balances in the Consolidated Statement of Cash Flows. The guidance will be applied retrospectively and is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Management is evaluating the impact, if any, of this guidance on the Fund's presentation in the Consolidated Statement of Cash Flows.

**Indemnifications:** In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnification. The Fund's maximum exposure under these arrangements is unknown because it involves future potential claims against the Fund, which cannot be predicted with any certainty.

**Other:** Expenses directly related to the Fund are charged to the Fund. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

Through May 31, 2016, the Fund had an arrangement with its custodian whereby credits were earned on uninvested cash balances, which could be used to reduce custody fees and/or overdraft charges. Credits previously earned have been utilized until December 31, 2016. Under current arrangements effective June 1, 2016, the Fund no longer earns credits on uninvested cash, and may incur charges on uninvested cash balances and overdrafts, subject to certain conditions.

### **3. Investment Valuation and Fair Value Measurements:**

**Investment Valuation Policies:** The Fund's investments are valued at fair value (also referred to as market value within the consolidated financial statements) as of the close of trading on the New York Stock Exchange ( NYSE ) (generally 4:00 p.m., Eastern time). U.S. GAAP defines fair value as the price the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under policies approved by the Board of Directors of the Fund (the Board ). The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of the Fund's assets and liabilities:

Equity investments traded on a recognized securities exchange are valued at the official closing price each day, if available. For equity investments traded on more than one exchange, the official closing price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.

Fixed-income securities for which market quotations are readily available are generally valued using the last available bid prices or current market quotations provided by independent dealers or third party pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more independent brokers or dealers as obtained from a third party pricing service. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but the Fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless the Manager determines such method does not represent fair value.

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Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of trading on the NYSE that may not be reflected in the computation of the Fund's net assets. Each business day, the Fund uses a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded over-the-counter (OTC) options (the Systematic Fair Value Price). Using current market factors, the Systematic Fair Value Price is designed to value such foreign securities and foreign options at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

Investments in open-end U.S. mutual funds are valued at NAV each business day.

Futures contracts traded on exchanges are valued at their last sale price.

BLACKROCK DEBT STRATEGIES FUND, INC.

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## Notes to Consolidated Financial Statements (continued)

Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of trading on the NYSE. Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of trading on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

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