

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

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

FORM N-CSRS

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

Investment Company Act file number 811-21413

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 02/28/2010

Item 1 Report to Stockholders

Semi-Annual Report

FEBRUARY 28, 2010 | (UNAUDITED)

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

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

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

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

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

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

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

Table of Contents

	Page
Dear Shareholder	3
Semi-Annual Report:	
Fund Summaries	4
The Benefits and Risks of Leveraging	10
Derivative Financial Instruments	11
Disclosure of Expenses	11
Fund Financial Statements	
Schedules of Investments	12
Statements of Assets and Liabilities	38
Statements of Operations	40
Statements of Changes in Net Assets	42
Statements of Cash Flows	45
Fund Financial Highlights	46
Fund Notes to Financial Statements	52
Master Senior Floating Rate LLC Portfolio Summary	62
Master Senior Floating Rate LLC Financial Statements:	
Schedule of Investments	63
Statement of Assets and Liabilities	69
Statement of Operations	70
Statements of Changes in Net Assets	70
Statement of Cash Flows	71
Master Senior Floating Rate LLC Financial Highlights	72
Master Senior Floating Rate LLC Notes to Financial Statements	73
Officers and Directors	77
Additional Information	78

Dear Shareholder

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

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

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

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

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

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

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

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

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

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

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

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

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

the spotlight, and bear close monitoring.

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

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

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

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

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

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

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

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

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

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

partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

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

Investment Objective

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

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

Performance

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

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

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

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

Past performance does not guarantee future results.

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Investment Objective

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

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

Performance

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

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Fund Information

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

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

Past performance does not guarantee future results.

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

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

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utilized

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Investment Objective

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) (the Fund) seeks high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments.

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

Performance

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

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Fund Information

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

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

Past performance does not guarantee future results.

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

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

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

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

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

corporate bond investments:

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Investment Objective

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

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

Performance

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

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

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Fund Information

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

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

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

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

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

Investment Objective

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

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

Performance

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

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

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Fund Information¹

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

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

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

Past performance does not guarantee future results.

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

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

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

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

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

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

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

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

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

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

Investment Objective

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

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

Performance

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

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

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Fund Information¹

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

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

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

Past performance does not guarantee future results.

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