

BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-Q

January 27, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08603

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Debt

Strategies Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 02/28/2014

Date of reporting period: 11/30/2013

Item 1 Schedule of Investments

Consolidated Schedule of Investments

BlackRock Debt Strategies Fund, Inc. (DSU)

November 30, 2013 (Unaudited)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|---|-------------|------------|
| Chemicals 0.1% | | |
| GEO Speciality Chemicals, Inc. (a) | 339,340 | \$ 288,439 |
| Containers & Packaging 0.2% | | |
| Smurfit Kappa Group PLC | 36,342 | 862,987 |
| Diversified Financial Services 0.9% | | |
| Kcad Holdings I Ltd. (a) | 756,012,055 | 4,309,269 |
| Electrical Equipment 0.0% | | |
| Medis Technologies, Ltd. (a) | 286,757 | 3 |
| Hotels, Restaurants & Leisure 0.0% | | |
| HRP PIK Corp., Class B (a)(b) | 5,000 | |
| Metals & Mining 0.1% | | |
| Euramax International | 2,337 | 560,952 |
| Paper & Forest Products 1.0% | | |
| Ainsworth Lumber Co., Ltd. (a) | 544,427 | 1,971,304 |
| Ainsworth Lumber Co., Ltd. (a)(b)(c) | 504,922 | 1,820,781 |
| NewPage Corp. (a) | 9,120 | 775,200 |
| Western Forest Products, Inc. (a) | 211,149 | 337,822 |
| | | 4,905,107 |
| Semiconductors & Semiconductor Equipment 0.0% | | |
| SunPower Corp. (a) | 1,707 | 51,790 |
| Software 0.3% | | |
| HMH Holdings/EduMedia (a) | 93,855 | 1,454,752 |
| Specialty Retail 0.0% | | |
| Movie Gallery, Inc. (a) | 503,737 | 5 |
| Total Common Stocks 2.6% | | 12,433,304 |
| | Par | |
| Asset-Backed Securities (000) | | |
| ACAS CLO Ltd., Series 2013-1A, Class D, 3.84%, 4/20/25 (b)(d) | USD 500 | 477,500 |
| ALM Loan Funding (b)(d): | | |
| Series 2013-7R2A, Class B, 2.86%, 4/24/24 | 625 | 605,125 |
| Series 2013-7RA, Class C, 3.71%, 4/24/24 | 1,750 | 1,693,300 |
| Series 2013-7RA, Class D, 5.26%, 4/24/24 | 750 | 689,775 |
| Atrium CDO Corp., Series 9A, Class D, 3.74%, 2/28/24 (b)(d) | 1,050 | 1,004,325 |
| | Par | |
| Asset-Backed Securities (000) Value | | |
| Carlyle Global Market Strategies CLO Ltd. (b)(d): | | |
| Series 2012-4A, Class D, 4.74%, 1/20/25 | USD 600 | \$ 607,146 |
| Series 2013-1A, Class C, 4.24%, 2/14/25 | 250 | 247,625 |
| Cavalry CLO II, Series 2A, Class D, 4.24%, 1/17/24 (b)(d) | 500 | 490,000 |
| CFIP CLO Ltd., Series 2013-1A, Class D, 3.99%, 4/20/24 (b)(d) | 1,000 | 960,960 |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.24%, 4/20/23 (b)(d) | 765 | 758,803 |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.25%, 9/20/22 (b)(d) | 1,200 | 1,204,200 |
| LCM IX LP, Series 9A, Class E, 4.44%, 7/14/22 (b)(d) | 1,000 | 940,500 |
| Madison Park Funding XI Ltd., Series 2013-11A, Class D, 3.80%, 10/23/25 (b)(d) | 305 | 289,628 |
| Neuberger Berman CLO XV, Series 2013-15A, Class C, 3.10%, 10/15/25 (b)(d) | 750 | 722,835 |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.59%, 10/30/23 (b)(d) | 500 | 495,400 |
| Total Asset-Backed Securities 2.4% | | 11,187,122 |
| | | |
| Corporate Bonds | | |
| Aerospace & Defense 0.7% | | |
| DigitalGlobe, Inc., 5.25%, 2/01/21 (b) | 666 | 649,350 |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21 | 715 | 779,350 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 1,364 | 1,476,530 |

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| | | |
|---|-------|-----------|
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b) | 247 | 256,838 |
| | | 3,162,068 |
| Airlines 1.1% | | |
| Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (b) | 469 | 466,655 |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 | 1,485 | 1,536,975 |
| Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 6/17/18 | 163 | 184,446 |

BLACKROCK DEBT STRATEGIES FUND, INC.

NOVEMBER 30, 2013

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Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|---|------------|--|------------|
| | (000) | | |
| Corporate Bonds | | | |
| Airlines (concluded) | | | |
| United Continental Holdings, Inc., 6.00%, 12/01/20 | USD 685 | | \$ 681,575 |
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 5/15/23 | 1,530 | | 1,487,925 |
| Virgin Australia Trust, Series 2013-1, Class C, 7.13%, 10/23/18 (b) | 895 | | 898,284 |
| | | | 5,255,860 |
| Auto Components 1.9% | | | |
| Affinia Group, Inc., 7.75%, 5/01/21 (b) | 790 | | 825,550 |
| Brighthouse Group PLC, 7.88%, 5/15/18 | GBP 100 | | 168,539 |
| Delphi Corp., 6.13%, 5/15/21 | USD 250 | | 275,000 |
| Icahn Enterprises LP/Icahn Enterprise Finance Corp.: | | | |
| 7.75%, 1/15/16 | 220 | | 225,500 |
| 8.00%, 1/15/18 | 4,035 | | 4,211,531 |
| Jaguar Land Rover Automotive PLC: | | | |
| 8.25%, 3/15/20 | GBP 392 | | 723,212 |
| 5.63%, 2/01/23 (b) | USD 425 | | 421,813 |
| Pittsburgh Glass Works LLC, 8.00%, 11/15/18 (b) | 310 | | 322,400 |
| Rhino Bondco SpA, 7.25%, 11/15/20 | EUR 100 | | 137,762 |
| Schaeffler Holding Finance BV (c): | | | |
| 6.88%, 8/15/18 | 270 | | 391,457 |
| 6.88%, 8/15/18 (b) | USD 785 | | 836,025 |
| Servus Luxembourg Holding SCA, 7.75%, 6/15/18 | 175 | | 248,881 |
| Titan International, Inc., 6.88%, 10/01/20 (b) | 400 | | 413,000 |
| Venture Holdings Co. LLC (a)(e): | | | |
| 12.00%, 7/01/49 | 4,450 | | |
| Series B, 9.50%, 7/01/05 | 1,800 | | |
| | | | 9,200,670 |
| Automobiles 0.4% | | | |
| Ford Motor Co., 4.25%, 11/15/16 (f) | 314 | | 635,261 |
| General Motors Co. (b): | | | |
| 4.88%, 10/02/23 | 330 | | 332,063 |
| 6.25%, 10/02/43 | 905 | | 918,575 |
| | | | 1,885,899 |
| Beverages 0.0% | | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 57 | | 66,049 |
| | Par | | |
| Corporate Bonds | | | |
| Building Products 1.2% | | | |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b) | USD 300 | | \$ 303,750 |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (b) | 639 | | 662,962 |
| Building Materials Corp. of America (b): | | | |
| 7.00%, 2/15/20 | 1,000 | | 1,075,000 |
| 6.75%, 5/01/21 | 590 | | 635,725 |
| Cemex SAB de CV, 5.88%, 3/25/19 (b) | 260 | | 254,800 |
| CPG Merger Sub LLC, 8.00%, 10/01/21 (b) | 740 | | 771,450 |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20 | 375 | | 394,688 |
| Texas Industries, Inc., 9.25%, 8/15/20 | 378 | | 414,855 |
| USG Corp., 9.75%, 1/15/18 | 980 | | 1,146,600 |
| | | | 5,659,830 |
| Capital Markets 0.4% | | | |
| American Capital Ltd., 6.50%, 9/15/18 (b) | 705 | | 730,556 |
| E*Trade Financial Corp., 0.00%, 8/31/19 (b)(f)(g) | 593 | | 1,027,373 |
| KCG Holdings, Inc., 8.25%, 6/15/18 (b) | 173 | | 177,974 |

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| | | | |
|--|-------------|-----------|-----------|
| | | | 1,935,903 |
| Chemicals | 2.9% | | |
| Ashland, Inc., 3.88%, 4/15/18 | | 475 | 477,375 |
| Chemtura Corp., 5.75%, 7/15/21 | | 145 | 146,813 |
| Ciech Group Financing AB, 9.50%, 11/30/19 | | EUR 130 | 199,829 |
| GEO Specialty Chemicals, Inc., 7.50%, 3/31/15 (b) | | USD 4,171 | 9,217,439 |
| Huntsman International LLC, 8.63%, 3/15/21 | | 735 | 823,200 |
| INEOS Finance PLC, 7.50%, 5/01/20 (b) | | 295 | 323,025 |
| INEOS Group Holdings SA: | | | |
| 6.13%, 8/15/18 (b) | | 485 | 488,031 |
| 6.50%, 8/15/18 | | EUR 224 | 309,308 |
| LSB Industries, Inc., 7.75%, 8/01/19 (b) | | USD 218 | 227,265 |
| Nufarm Australia, Ltd., 6.38%, 10/15/19 (b) | | 225 | 232,875 |
| Orion Engineered Carbons Bondco GmbH, 9.63%, 6/15/18 (b) | | 800 | 884,000 |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (b) | | 188 | 188,705 |

Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|---|--------------|----|--------------|
| | (000) | | |
| Corporate Bonds | | | |
| Chemicals (concluded) | | | |
| Solvay Finance SA, 4.20% (d)(h) | EUR 260 | \$ | 357,104 |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, 5.75%, 2/01/21 | 100 | | 140,989 |
| | | | 14,015,958 |
| Commercial Banks 0.9% | | | |
| Bilbao Luxembourg SA, 10.50%, 12/01/18 (c) | 100 | | 133,162 |
| CIT Group, Inc.: | | | |
| 5.00%, 5/15/17 | USD 620 | | 661,850 |
| 6.63%, 4/01/18 (b) | 120 | | 135,600 |
| 5.50%, 2/15/19 (b) | 1,886 | | 2,032,165 |
| GLP Capital LP/GLP Financing II, Inc. (b): | | | |
| 4.38%, 11/01/18 | 257 | | 262,140 |
| 4.88%, 11/01/20 | 331 | | 330,173 |