

Edgar Filing: FLOATING RATE INCOME STRATEGIES FUND INC - Form N-Q

FLOATING RATE INCOME STRATEGIES FUND INC
 Form N-Q
 July 26, 2006

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 811-21413

Name of Fund: Floating Rate Income Strategies Fund, Inc.

Fund Address: P.O. Box 9011
 Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
 Officer, Floating Rate Income Strategies Fund, Inc., 800 Scudders Mill
 Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton,
 NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 08/31/2006

Date of reporting period: 03/01/06 - 05/31/06

Item 1 - Schedule of Investments

Floating Rate Income Strategies Fund, Inc.

Schedule of Investments as of May 31, 2006

	Face Amount	Floating Rate Loan Interests**
Aerospace & Defense - 3.9%	\$ 2,394,000	IAP Worldwide Services, Inc. First Lien Term Loan, 8% due 12/20/2012
	1,874,807	K&F Industries, Inc. Term Loan, 7.28% - 7.34% due 11/15/2011
	2,101,911	MRO Acquisitions Corp. First Lien Term Loan, 7.48% due 8/27/2010
	2,777,778	Standard Aero Holdings Term Loan, 6.96% - 7.35% due 8/24/2012
	2,905,412	Vought Aircraft Industries, Inc. Term Loan, 7.60% due 12/22/2011
	560,000	Vought Aircraft Industries, Inc. Tranche B Line of Credit, 7.33% due 12/22/2010
	1,000,000	Vought Aircraft Revolving Credit, 7.33% - 7.59% due 12/22/2010
Airlines - 0.8%	1,000,000	Delta Air Lines Term Loan B, 10.023% due 3/16/2008

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	187,500	United Air Lines Delay Draw Term Loan, 8.875% due 2/
	1,312,500	United Air Lines Term Loan B, 8.625% due 2/01/2012
Automotive - 3.0%	2,672,143	Affinia Group Term Loan B, 8.13% due 11/30/2011
	1,250,000	Delphi Corp. Debtor in Possession Term Loan B, 7.875% due 10/08/2007
	1,000,000	GPX International Tire Corp. Term Loan B, 7.60% due 4/06/2012
	1,575,697	Keystone Automotive Operations, Inc. Term Loan, 6.99% due 10/30/2009
	2,896,483	Tenneco Automotive, Inc. Term Loan B, 7.19% due 12/1
	1,272,374	Tenneco Automotive, Inc. Tranche B-1 Credit Linked D 7.052% due 12/12/2010
Broadcasting - 2.7%	1,197,716	Emmis Operating Co. Term Loan B, 6.83% - 8.50% due 11/10/2011
	1,995,000	Gray Communications Term Loan B, 6.49% due 11/22/201
	382,692	NextMedia Group, Inc. Delay Draw Term Loan, 7.059% due 11/15/2012
	861,058	NextMedia Group, Inc. First Lien Term Loan, 7.09% due 11/15/2012
	1,750,000	NextMedia Group, Inc. Second Lien Term Loan, 9.41% due 11/15/2013
	3,250,000	Paxson Communications Corp. First Lien Term Loan, 8. due 11/15/2012
Cable - U.S. - 17.5%	2,155,172	Cebridge Connections Term Loan B, 7.319% due 11/05/2
	12,000,000	Century Cable Holdings LLC, Discretionary Term Loan, due 12/31/2009
	21,000,000	Charter Communications, Inc. Term Loan B, 7.755% due 4/28/2013
	2,000,000	DIRECTV Holdings, Inc. Tranche B Term Loan, 6.581% due 4/13/2013
	5,000,000	Hilton Head Communications UCA Term Loan B, 9% due 3/31/2008
	4,887,500	Insight Midwest Holdings LLC Term Loan C, 7% due 12/31/2009
	2,962,500	Intelsat Ltd. Term Loan, 5.25% due 7/28/2011
	2,121,875	Mediacom Broadband Group Tranche A Term Loan, 6.02% due 3/31/2010
	3,160,000	Mediacom LLC Term Loan C, 6.87% due 1/31/2015
	6,895,000	PanAmSat Corp. Tranche B Term Loan, 6.90% due 8/20/2
Chemicals - 7.5%	1,960,000	Hercules, Inc. Term Loan B, 6.479% - 6.528% due 10/0
	6,864,200	Huntsman ICI Holdings Term Loan B, 6.831% due 8/16/2
	972,462	Invista Term Loan, 6.75% due 4/29/2011
	2,210,141	Invista Term Loan B-1, 6.75% due 4/29/2011
	982,500	Lyondell-Citgo Refining Term Loan, 6.979% due 5/21/2
	6,597,250	Nalco Co. Tranche B Term Loan, 6.48% - 6.82% due 11/
	1,980,000	Rockwood Specialties Group, Inc. Tranche D Term Loan due 12/10/2012
	4,750,000	Wellman, Inc. Second Lien Term Loan, 11.899% due 2/1

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Consumer - Durables - 0.6%	2,151,711	Simmons Co. Tranche B Term Loan, 7.375% - 9.25% due 12/19/2011
Consumer - Non-Durables - 1.0%	1,374,328	American Achievement Corp. Term Loan B, 9.50% due 3/22/2011
	1,467,000	Burt's Bees, Inc. Term Loan, 7.44% - 7.919% due 3/29
	756,000	Camelbak Products LLC First Lien Term Loan, 8.67% due 8/04/2011
Diversified Media - 4.2%	4,624,152	Liberty Group Operating Term Loan B, 7.375% due 2/28
	10,000,000	Metro-Goldwyn-Mayer Studios, Inc. Term Loan B, 7.229% due 4/30/2011
Energy - Exploration & Production - 0.3%	1,000,000	MEG Energy Corp. Term Loan B, 7% due 4/03/2013
Energy - Other - 1.9%	2,750,000	Dresser, Inc. Term Loan Unsecured, 8.65% due 2/25/20
	1,025,000	EPCO, Inc. Term Loan C, 7.077% - 7.221% due 8/18/201
	1,496,250	Key Energy Services, Inc. Term Loan B, 8.25% - 8.40% due 6/30/2012
	1,500,000	Markwest Energy Operating Co. LLC Term Loan B, 7.319% due 12/29/2010
Food & Drug - 0.2%	748,087	Alimentation Couche-Tard, Inc. US Term Loan, 6.875% due 12/17/2010
Food & Tobacco - 2.8%	1,000,000	Bolthouse Farms, Inc. Second Lien Term Loan, 10.37% due 12/01/2013
	1,430,000	Commonwealth Brands Term Loan, 7.438% due 12/22/2012
	3,184,781	Constellation Brands Term Loan B, 6.313% - 6.375% due 11/30/2011
	1,131,812	Doane Pet Care Co. Tranche B Term Loan, 6.94% - 7.37% due 10/24/2012
	186,046	Dole Food Co., Inc. Letter of Credit, 4.92% due 4/12
	418,605	Dole Food Co., Inc. Term Loan B, 6.875% - 8.75% due 4/12/2013
	1,395,349	Dole Food Co., Inc. Term Loan C, 6.875% - 8.75% due 4/04/2013
	713,333	Pierre Foods, Inc. Term Loan B, 6.93% due 6/30/2010
	500,000	QCE LLC First Lien Term Loan, 7.31% due 5/05/2013
Gaming - 6.1%	799,766	Global Cash Access LLC Term Loan B, 6.843% due 3/10/
	1,960,188	Green Valley Ranch Gaming LLC Term Loan, 6.979% due 12/22/2010
	895,500	Isle of Capri Black Hawk Term Loan B, 6.89% - 7.214% due 10/24/2011
	992,500	Isle of Capri Casinos, Inc. Tranche 3 Delay Draw Ter 6.729% due 2/04/2011
	3,233,750	Penn National Gaming, Inc. Term Loan B, 6.73% - 7.02% 9/01/2007
	2,000,000	Pinnacle Entertainment Term Loan, 7.09% due 12/15/20
	4,988,619	Resorts International First Lien Term Loan, 7.98% due 4/26/2012

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	2,458,544	Trump Entertainment Resorts Holdings LP Term Loan B-1, 7.17% due 5/01/2012
	1,000,000	Venetian Casino Resort LLC Delay Draw Term Loan, 6.7% due 6/15/2011
	3,100,000	Venetian Casino Resort LLC Term Loan B, 6.28% due 6/15/2011
Health Care - 3.0%	2,758,000	Community Health Systems, Inc. Term Loan, 6.85% - 6.95% due 8/19/2011
	3,099,138	DaVita, Inc. Tranche B Term Loan, 6.94% - 7.21% due 10/05/2012
	995,405	Duloxetine Royalty Term Loan, 9.577% due 10/18/2013
	986,486	Gentiva Health Services, Inc. Term Loan B, 7.24% - 7.34% due 3/31/2013
	1,897,249	LifePoint Hospitals, Inc. Term Loan B, 6.905% due 4/15/2011
	674,528	Rotech Healthcare, Inc. Term Loan B, 7.98% due 3/31/2011
Housing - 3.2%	2,920,211	Headwaters, Inc. Term Loan B-1, 7.08% due 4/30/2011
	660,336	LIONS Gables Realty Term Loan B, 6.82% - 6.86% due 9/30/2006
	1,000,000	Mattamy Group Term Loan B, 7.477% due 4/11/2013
	2,456,250	Nortek, Inc. Term Loan, 6.69% due 8/27/2011
	4,369,500	PGT Industries, Inc. First Lien Term Loan, 8.13% due 12/15/2010
Information Technology - 2.7%	2,200,000	Activant Solutions Term Loan B, 7.188% due 5/02/2013
	3,510,000	Fidelity National Information Solutions, Inc. Term Loan B, 6.83% due 3/09/2013
	1,985,000	SunGard Data Systems, Inc. Term Loan B, 7.66% due 2/15/2011
	1,980,000	Telcordia Technologies, Inc. Term Loan, 7.668% - 7.768% due 9/15/2012
Leisure - 1.1%	4,000,000	24 Hour Fitness Term Loan B, 7.20% - 7.50% due 6/08/2011
Manufacturing - 5.0%	1,180,555	Communications & Power Industries, Inc. Term Loan, 7.431% due 7/23/2010
	2,000,000	Invensys International Holdings Ltd. Second Lien Term Loan, 9.431% due 12/04/2009
	2,475,000	Metokote Corp. Second Lien Term Loan, 8.31% - 8.42% due 11/27/2011
	4,477,500	Mueller Group LLC Term Loan B, 7.06% - 7.477% due 10/03/2012
	1,500,000	Nacco Materials Handling Group Term Loan B, 7.17% due 3/21/2013
	5,143,478	Sensus Metering Systems, Inc. Term Loan B-1, 7.22% - 7.32% due 12/17/2010
	683,207	Sensus Metering Systems, Inc. Term Loan B-2, 7.22% - 7.32% due 12/19/2010
Packaging - 5.1%	2,857,143	Anchor Glass Container Corp. Term Loan B, 7.309% due 5/03/2013
	6,021,277	Berry Plastics Corp. Term Loan, 6.661% due 7/22/2010
	3,437,500	Graham Packaging Co. LP Term Loan B, 6.938% - 7.375% due 10/07/2011

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	1,970,000	Intertape Polymer US, Inc. Term Loan B, 7.14% - 7.27% due 7/28/2011
	525,619	Owens-Illinois Group, Inc. Term Loan B-1, 6.85% due
	3,240,129	Owens-Illinois Group, Inc. Tranche Term Loan C, 6.85% due 4/01/2008
Paper - 2.9%	1,178,571	Boise Cascade Holdings LLC Tranche D Term Loan, 6.75% due 10/28/2011
	997,500	Georgia Pacific Corp. First Lien Term Loan B, 6.88% due 2/14/2013
	1,000,000	Georgia Pacific Corp. Second Lien Term Loan C, 7.88% - 8.081% due 2/14/2014
	1,685,064	Riverside Energy Center Term Loan, 9.376% due 6/24/2010
	1,972,738	SP Newsprint Co. Tranche B-1 Credit Linked Deposit, due 1/09/2010
	681,105	SP Newsprint Co. Tranche B-1 Term Loan, 7.34% due 1/09/2010
	2,054,743	Smurfit-Stone Container Corp. Term Loan B, 7.125% - 7.375% due 11/01/2011
	697,059	Smurfit-Stone Container Corp. Term Loan C, 7.125% - 7.375% due 11/01/2011
Retail - 1.2%	1,129,352	American Reprographics Co. Term Loan, 6.70% - 8.75% due 6/18/2009
	1,682,868	General Nutrition Centers, Inc. Tranche B Term Loan, due 12/05/2009
	1,424,051	The Neiman Marcus Group, Inc. Term Loan, 7.34% due 4/06/2013
Service - 4.0%	1,990,000	Baker Tanks, Inc. Term Loan B, 7.20% - 7.593% due 11/18/2010
	2,849,250	Burhrmann USA, Inc. Term Loan C, 6.67% - 6.88% due 12/23/2010
	1,997,982	Coinmach Laundry Corp. Term Loan B, 7.625% - 7.688% due 12/16/2012
	2,260,172	Coinstar, Inc. Term Loan, 6.96% - 7.03% due 7/07/2011
	997,500	RGIS Inventory Specialists First Lien Term Loan, 7.4% due 12/31/2012
	808,070	United Rentals, Inc. Term Loan, 7.10% due 2/14/2011
	164,912	United Rentals, Inc. Tranche B Credit Linked Deposit due 2/14/2011
	1,959,794	Weight Watchers International, Inc. First Lien Term Loan, 7.318% - 7.331% due 11/18/2010
	1,000,000	Weight Watchers International, Inc. Term Loan C, 9.4% due 7/17/2006
Telecommunications - 1.2%	2,000,000	Alaska Communication Systems Holdings, Inc. Incremental Term Loan, 6.729% due 2/01/2012
	2,172,500	Consolidated Communications, Inc. Term Loan D, 6.729% due 10/14/2011
Utility - 12.6%	1,571,429	AES Corp. Term Loan, 5.69% - 6.75% due 4/30/2008
	2,500,000	Calpine Corp. Delay Draw Term Loan, 8.979% due 12/20/2007
	4,902,199	Calpine Corp. Term Loan B, 10.35% due 7/16/2007

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	1,500,000	Calpine Generating Co. LLC First Lien Term Loan, 8.7% due 4/01/2009
	2,500,000	Calpine Generating Co. LLC Second Lien Term Loan, 10% due 3/11/2010
	1,667,431	Cogentrix Delaware Holdings, Inc. Term Loan, 6.75% due 4/15/2012
	2,341,463	Covanta Energy Corp. First Lien Letter of Credit, 4.75% due 6/24/2012
	1,677,896	Covanta Energy Corp. First Lien Term Loan, 7.96% - 8.00% due 6/24/2012
	2,500,000	Covanta Energy Corp. Second Lien Term Loan, 10.46% - 10.50% due 6/24/2013
	1,425,000	El Paso Corp. Deposit Account, 4.729% due 11/23/2009
	1,843,000	El Paso Corp. Term Loan, 7.75% due 11/23/2009
	4,950,000	KGen LLC Tranche A Term Loan, 7.604% due 8/05/2011
	3,118,687	LSP Gen Finance Co. LLC First Lien Term Loan, 6.843% due 5/04/2013
	500,000	LSP Gen Finance Co. LLC Term Loan, 8.593% due 5/04/2013
	2,474,755	LSP Kendall Energy Term Loan B, 6.979% due 10/07/2011
	434,992	Midwest Generation LLC Term Loan C, 6.39% - 6.74% due 4/27/2011
	498,750	Mirant Corp. Term Loan B, 6.83% due 1/03/2013
	2,023,333	Quanta Services, Inc. Credit Linked Deposit, 4.93% due 6/19/2008
	561,033	Reliant Energy, Inc. Term Loan, 7.465% due 4/30/2010
	133,966	Rocky Mountain Energy Center LLC Credit Linked Deposits, 6.00% due 6/24/2011
	1,165,871	Rocky Mountain Energy Center LLC Term Loan, 9.376% due 6/24/2011
	1,481,527	Wolf Hollow I LP First Lien Term Loan, 7.185% due 6/22/2011
	1,200,000	Wolf Hollow I LP Letter of Credit, 7.331% due 6/22/2011
	300,000	Wolf Hollow I LP Revolving Credit, 7.059% due 6/22/2011
	1,000,000	Wolf Hollow I LP Second Lien Term Loan, 9.435% due 12/22/2012
Wireless Communications - 0.6%	2,154,167	Centennial Cellular Operating Co. Term Loan, 7.21% - 7.25% due 2/09/2011
		Total Floating Rate Loan Interests (Cost - \$334,550,706) - 95.1%
		Corporate Bonds
Aerospace & Defense - 0.1%	250,000	Alliant Techsystems, Inc., 6.75% due 4/01/2016
Automotive - 0.1%	250,000	Autonation, Inc., 7.045% due 4/15/2013 (a) (b)
Cable - International - 0.1%	375,000	NTL Cable Plc, 8.75% due 4/15/2014
Cable - U.S. - 2.7%	2,000,000	CSC Holdings, Inc. Series B, 7.625% due 4/01/2011
	2,000,000	Cablevision Systems Corp. Series B, 9.62% due 4/01/2011
	3,000,000	Cablevision Systems Corp. Series B, 8% due 4/15/2012
	750,000	Intelsat Subsidiary Holding Co. Ltd., 9.614% due 1/15/2011
	500,000	Intelsat Subsidiary Holding Co. Ltd., 8.25% due 1/15/2011
	800,000	Quebecor Media, Inc., 7.75% due 3/15/2016 (b)
	250,000	Quebecor World Capital Corp., 8.75% due 3/15/2016 (b)

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Chemicals - 0.8%	2,011,000	GEO Specialty Chemicals, Inc., 13.50% due 12/31/2009
	1,125,000	Nova Chemicals Corp., 8.405% due 11/15/2013 (a)
Diversified Media - 0.3%	250,000	RH Donnelley Corp., 6.875% due 1/15/2013 (b)
	550,000	RH Donnelley Corp., 8.875% due 1/15/2016 (b)
	450,000	RH Donnelley Corp., Series A-2, 6.875% due 1/15/2013
Energy - Other - 0.9%	3,000,000	Ocean RIG ASA, 8.99% due 4/04/2011
	250,000	PHI, Inc., 7.125% due 4/15/2013 (b)
Food & Drug - 0.2%	500,000	Stripes Acquisition LLC, 10.625% due 12/15/2013 (b)
Food & Tobacco - 1.2%	250,000	AmeriQual Group LLC, 9.25% due 4/01/2012 (b)
	3,000,000	Smithfield Foods, Inc., 7% due 8/01/2011
	1,050,000	The Wornick Co., 10.875% due 7/15/2011
Gaming - 2.5%	1,100,000	Galaxy Entertainment Finance Co. Ltd., 10.42% due 12/15/2010 (a) (b)
	2,000,000	Little Traverse Bay Bands of Odawa Indians, 10.25% due 2/15/2014 (b)
	550,000	MTR Gaming Group, Inc., 9% due 6/01/2012 (b)
	5,000,000	Majestic Star Casino LLC, 9.50% due 10/15/2010
Health Care - 0.4%	675,000	Angiotech Pharmaceuticals, Inc., 7.75% due 4/01/2014
	575,000	US Oncology, Inc., 9% due 8/15/2012
Information Technology - 3.5%	4,050,000	Freescale Semiconductor, Inc., 7.818% due 7/15/2009
	4,625,000	MagnaChip Semiconductor SA, 8.579% due 12/15/2011 (a)
	1,825,000	SunGard Data Systems, Inc., 9.431% due 8/15/2013 (a)
	1,900,000	SunGard Data Systems, Inc., 10.25% due 8/15/2015 (b)
Leisure - 1.6%	5,400,000	Felcor Lodging LP, 9.57% due 6/01/2011 (a)
Manufacturing - 1.0%	325,000	ERICO International Corp., 8.875% due 3/01/2012
	2,900,000	Invensys Plc, 9.875% due 3/15/2011 (b)
Metal - Other - 0.2%	700,000	Novelis, Inc., 7.75% due 2/15/2015
Packaging - 0.3%	1,000,000	Packaging Dynamics Finance Corp., 10% due 5/01/2016
Paper - 1.4%	2,650,000	Abitibi-Consolidated, Inc., 8.829% due 6/15/2011 (a)
	700,000	Ainsworth Lumber Co. Ltd., 8.71% due 10/01/2010 (a)
	725,000	Domtar, Inc., 7.125% due 8/15/2015
	925,000	NewPage Corp., 11.399% due 5/01/2012 (a)

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Retail - 1.0%	1,600,000	Jean Coutu Group, Inc., 8.50% due 8/01/2014
	2,000,000	Neiman-Marcus Group, Inc., 9% due 10/15/2015 (b)
Service - 1.8%	250,000	Ahern Rentals, Inc., 9.25% due 8/15/2013
	3,375,000	Allied Waste North America, Inc. Series B, 7.375% due 4/15/2014
	600,000	Dycom Industries, Inc., 8.125% due 10/15/2015
	250,000	iPayment, Inc., 9.75% due 5/15/2014 (b)
	2,000,000	Sunstate Equipment Co. LLC, 10.50% due 4/01/2013 (b)
Steel - 0.9%	3,000,000	CSN Islands VIII Corp., 9.75% due 12/16/2013 (b)
Telecommunications - 3.3%	3,000,000	Cincinnati Bell, Inc., 8.375% due 1/15/2014
	3,700,000	Qwest Communications International, Inc., 8.67% due 2/15/2009 (a)
	1,450,000	Qwest Corp., 8.579% due 6/15/2013 (a)
	3,500,000	Time Warner Telecom Holdings, Inc., 9.17% due 2/15/2014
Utility - 3.1%	2,000,000	Calpine Corp., 9.875% due 12/01/2011 (b) (f)
	1,675,000	Dynegy Holdings, Inc., 8.375% due 5/01/2016 (b)
	700,000	Edison Mission Energy, 7.50% due 6/15/2013 (b)
	3,000,000	NRG Energy, Inc., 7.25% due 2/01/2014
	4,000,000	Reliant Energy, Inc., 6.75% due 12/15/2014
Wireless Communications - 1.0%	3,250,000	Rogers Wireless Communications, Inc., 8.454% due 12/15/2010 (a)
	250,000	Rural Cellular Corp., 9.41% due 3/15/2010 (a)
		Total Corporate Bonds (Cost - \$99,301,880) - 28.4%
	Shares Held	Common Stocks
Chemicals - 0.0%	13,117	GEO Specialty Chemicals, Inc. (e)
Energy - Other - 1.2%	127,985	Trico Marine Services, Inc. (e)
Manufacturing - 0.5%	71,654	Medis Technologies Ltd. (e)
Paper - 0.0%	84,448	Western Forest Products, Inc. (e)
		Total Common Stocks (Cost - \$4,496,224) - 1.7%
		Warrants (d)

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Utility - 0.0% 4,558 Reliant Resources (expires 10/25/2008)

Total Warrants (Cost - \$0) - 0.0%

Total Investments (Cost - \$438,348,810*) - 125.2%
Liabilities in Excess of Other Assets - (25.2%)

Net Assets - 100.0%

* The cost and unrealized appreciation (depreciation) of investments as of May 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	438,283,095
		=====
Gross unrealized appreciation	\$	6,907,410
Gross unrealized depreciation		(1,374,549)

Net unrealized appreciation	\$	5,532,861
		=====

** Floating rate loan interests in which the Fund invests generally pay interest at rates that are periodically redetermined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more major European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more major U.S. banks or (iii) the certificate of deposit rate.

- (a) Floating rate security.
- (b) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (c) Convertible security.
- (d) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (e) Non-income producing security.
- (f) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.
- o Swaps outstanding as of May 31, 2006 were as follows:

Notional	Unrealized
Amount	Depreciation

Sold credit default protection on General

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Motors Corp. and receive 4.40%

Broker, Morgan Stanley Capital Services, Inc.
Expires June 2007 \$ 2,000,000 \$ (70,122)

- o Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
Merrill Lynch Liquidity Series, LLC Cash Sweep Series I	-	\$ 37,389

Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Floating Rate Income Strategies Fund, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
Floating Rate Income Strategies Fund, Inc.

Date: July 21, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the

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following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
Floating Rate Income Strategies Fund, Inc.

Date: July 21, 2006

By: /s/ Donald C. Burke

Donald C. Burke
Chief Financial Officer
Floating Rate Income Strategies Fund, Inc.

Date: July 21, 2006