BLACKROCK PREFERRED INCOME STRATEGIES FUND, INC.
Form N-CSR
January 07, 2008

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 811-21286

Name of Fund: BlackRock Preferred Income Strategies Fund, Inc. (PSY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock Preferred 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: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2007

Date of reporting period: 11/01/2006 - 10/31/2007

Item 1 - Report to Stockholders

EQUITIES   FIXED INCOME   REAL ESTATE
LIQUIDITY ALTERNATIVES   BLACKROCK SOLUTIONS

Annual Report   BLACKROCK

OCTOBER 31, 2007

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW)
BlackRock Preferred Income Strategies Fund, Inc. (PSY)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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A Letter to Shareholders

Dear Shareholder

The October reporting period was fairly tumultuous for financial markets, but culminated in positive performance for most major benchmarks:

Total Returns as of October 31, 2007	6-month	12
U.S. equities (S&P 500 Index)	+5.49%	+
Small cap U.S. equities (Russell 2000 Index)	+2.25%	+
International equities (MSCI Europe, Australasia, Far East Index)	+8.19%	+
Fixed income (Lehman Brothers U.S. Aggregate Bond Index)	+2.68%	+
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+1.30%	+
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	-0.07%	+

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

Subprime mortgage woes dominated headlines for much of 2007, but intensified in the summer and fall, spawning a widespread liquidity and credit crisis with ramifications across global markets. The Federal Reserve Board (the "Fed") and other countries' central banks stepped in to inject liquidity into the markets and bolster investor confidence. The Fed cut the federal funds rate by 0.50% in September and another 0.25% on the final day of the reporting period, bringing its target rate to 4.50%. In taking action, the central bankers, who had long deemed themselves inflation fighters, were seeking to stem the fallout from the credit crunch and forestall a wider economic unraveling. By period-end, the Fed had cited the risks between slower economic growth and faster inflation as equally balanced.

Amid the volatility throughout the past year, equity markets have displayed surprising resilience. Most recently, the credit turmoil dampened corporate merger-and-acquisition (M&A) activity, a key source of strength for equity markets. Still, market fundamentals have held firm, dividend payouts and share buybacks have continued to grow, and valuations remain attractive. These tailwinds generally have prevailed over the headwinds created by the slowing U.S. economy, troubled housing market and, recently, a more difficult corporate earnings backdrop. International markets fared even better than U.S. equities, benefiting from robust M&A activity and generally stronger economies.

In fixed income markets, mixed economic signals and the credit woes resulted in a flight to quality. At the height of the uncertainty, investors shunned bonds associated with the housing and credit markets in favor of higher-quality Treasury issues. The yield on 10-year Treasury issues, which touched 5.30% in June (its highest level in five years), fell to 4.48% by period-end, while prices correspondingly rose. The tax-exempt bond market has been challenged by a combination of record-setting supply year-to-date, economic uncertainty and concerns around the credit worthiness of bond insurers. This has brought municipal bond prices to relatively attractive levels and, as such, demand generally has remained firm.

As you navigate market volatility, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more market insight and commentary from BlackRock investment professionals, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

/s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Vice Chairman, BlackRock, Inc.

Fund Summary as of October 31, 2007
BlackRock Preferred and Corporate Income Strategies Fund, Inc.

Investment Objective

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (PSW) seeks to provide shareholders with high current income. The secondary objective of the Fund is to seek to provide shareholders with capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a portfolio of preferred securities and debt securities, including convertible securities that may be converted into common stock or other securities of the same or a different issuer.

Fund Information

Symbol on New York Stock Exchange	PSW
Initial Offering Date	August 1, 2003
Yield on Closing Market Price as of October 31, 2007 ($17.29)* .	9.25%
Current Monthly Distribution per share of Common Stock**	$.133333
Current Annualized Distribution per share of Common Stock**	$ 1.60
Leverage as of October 31, 2007***	40.43%

* 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.

** The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

*** 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 total debt representing financial leverage).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	$17.29	$21.26	(18.67%)	$22.47	$15.70
Net Asset Value	$19.54	$22.25	(12.18%)	$22.48	$19.20

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

Portfolio Composition

Asset Mix	10/31/07	10/31/06
Corporate Bonds	42.7%	19.4%
Preferred Stocks	21.8	22.9
Capital Trusts	18.9	35.8
Trust Preferreds	8.7	6.1
Real Estate Investment Trusts	6.8	12.8
Government & Agency Obligations	1.1	3.0

Credit Quality Allocations*

Credit Rating	10/31/07	10/31/06
AAA/Aaa	2.7%	4.5%
AA/Aa	11.5	0.9
A/A	20.8	12.5
BBB/Baa	30.4	35.8
BB/Ba	4.4	7.9
NR (Not Rated)	2.0	2.7
Other*	28.2	35.7

* Includes portfolio holdings in Preferred Stocks and Real Estate Investment Trusts.

Fund Summary as of October 31, 2007

BlackRock Preferred Income Strategies Fund, Inc.

Investment Objective

BlackRock Preferred Income Strategies Fund, Inc. (PSY) seeks to provide shareholders with high current income. The secondary objective of the Fund is to seek to provide shareholders with capital appreciation. The Fund seeks to achieve its objectives by investing primarily in a portfolio of preferred securities, including convertible preferred securities that may be converted into common stock or other securities of the same or a different issuer.

Fund Information

Symbol on New York Stock Exchange	PSY
Initial Offering Date	March 28, 2003
Yield on Closing Market Price as of October 31, 2007 ($16.94)*	8.12%
Current Monthly Distribution per share of Common Stock**	$ .114583
Current Annualized Distribution per share of Common Stock**	$ 1.375
Leverage as of October 31, 2007***	40.45%

* 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.

** The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

*** 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 total debt representing financial leverage).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	$16.94	$20.12	(15.81%)	$21.09	$15.66
Net Asset Value	$19.93	$22.36	(10.87%)	$22.74	$19.51

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

Portfolio Composition

Asset Mix	10/31/07	10/31/06
Corporate Bonds	38.1%	20.0%
Preferred Stocks	25.2	27.6
Capital Trusts	24.6	30.7
Trust Preferreds	7.9	5.9
Real Estate Investment Trusts	3.4	14.4
Government & Agency Obligations	0.8	1.4

Credit Quality Allocations*

Credit Rating	10/31/07	10/31/06
AAA/Aaa	1.3%	2.5%
AA/Aa	12.9	2.4
A/A	29.2	20.7
BBB/Baa	23.2	25.4
BB/Ba	2.0	2.9
NR (Not Rated)	2.7	4.1
Other*	28.7	42.0

* Includes portfolio holdings in Preferred Stocks and Real Estate Investment Trusts.

Schedule of Investments As of October 31, 2007
BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities

Face Amount	Capital Trusts	Value
Capital Markets -- 1.5%		
$ 3,390,000	State Street Capital Trust IV, 6.694% due 6/01/2067 (b)	$ 3,061,153
Commercial Banks -- 11.0%		
725,000	Abbey National Capital Trust I, 8.963% (b)(g)	884,647
4,600,000	BB&T Capital Trust IV, 6.82% due 6/12/2077 (b)	4,481,035
1,585,000	Barclays Bank Plc, 5.926% (b)(f)(g)	1,500,247
2,000,000	Cullen/Frost Capital Trust I, 7.171% due 3/01/2034 (b)	1,892,174
975,000	Dresdner Funding Trust I, 8.151% due 6/30/2031 (f)	1,066,724
5,000,000	First Chicago NBD Institutional Capital I, 5.461% due 2/01/2027 (b)	4,580,670
910,000	First Empire Capital Trust II, 8.277% due 6/01/2027	948,837
1,500,000	Hubco Capital Trust II Series B, 7.65% due 6/15/2028	1,560,000
975,000	Huntington Capital III, 6.65% due 5/15/2037 (b)	914,954
2,310,000	RBS Capital Trust B, 6.80% (g)	2,258,025
980,000	Royal Bank of Scotland Group Plc, 7.648% (b)(g)	1,046,179
1,050,000	SunTrust Preferred Capital I, 5.853% (b)(g)	1,030,856
		22,164,348
Consumer Finance -- 2.2%		
3,470,000	Capital One Capital III, 7.686% due 8/15/2036	3,363,322
910,000	MBNA Capital A, 8.278% due 12/01/2026	945,393
		4,308,715
Diversified Financial Services -- 2.4%		
3,000,000	Farm Credit Bank of Texas Series 1, 7.561% (b)(g)	3,242,730
1,830,000	JPMorgan Chase Capital XXIII, 6.558% due 5/15/2047 (b)(h)	1,612,722
		4,855,452
Insurance -- 10.4%		
3,990,000	AON Corp., 8.205% due 1/01/2027	4,333,595
1,510,000	Ace Capital Trust II, 9.70% due 4/01/2030	1,929,055
9,110,000	Farmers Exchange Capital, 7.05% due 7/15/2028 (f)	9,262,547
750,000	Genworth Financial, Inc., 6.15% due 11/15/2066 (b)	699,818
3,000,000	Mangrove Bay Pass-Through Trust, 6.102% due 7/15/2033 (b)(f)	2,800,200
915,000	Oil Casualty Insurance Ltd., 8%	

	due 9/15/2034 (f)	910,053
1,000,000	Zenith National Insurance Capital Trust I, 8.55% due 8/01/2028 (f)	985,000
		20,920,268
Multi-Utilities -- 0.6%		
1,200,000	Dominion Resources Capital Trust I, 7.83% due 12/01/2027	1,252,379
Thrifts & Mortgage Finance -- 0.5%		
975,000	Webster Capital Trust IV, 7.65% due 6/15/2037 (b)	967,122
	Total Capital Trusts (Cost -- $57,286,276) -- 28.6%	57,529,437

Shares Held	Preferred Stocks	Value
Capital Markets -- 1.2%		
1,900,000	Ameriprise Financial, Inc., 7.518% due 6/01/2066 (b)	1,941,768
15,000	Deutsche Bank Contingent Capital Trust II, 6.55%	360,000
		2,301,768
Commercial Banks -- 8.3%		
1,000,000	Barclays Bank Plc, 6.278% (b)	882,236
1,176	First Tennessee Bank NA, 6.10% (b)(f)	1,128,593
1,900,000	ICICI Bank Ltd., 7.25% (b)(f)	1,764,207
42,000	Provident Financial Group, Inc., 7.75%	1,090,690
4,425,000	Resona Preferred Global Securities Ltd., 7.191% (b)(f)	4,443,620
1,200,000	Royal Bank of Scotland Group Plc, 9.118%	1,283,501
	Santander Finance Preferred SA Unipersonal (f):	
149,000	6.50%	3,501,500
100,000	6.80%	2,343,750
12,000	Sovereign Bancorp, Inc. Series C, 7.30% (a)	312,000
		16,750,097
Diversified Financial Services -- 3.9%		
98,000	Bank of America Corp., 6.625%	2,523,500
38,000	Cobank ACB, 7% (f)	1,894,604
3,870,000	JPMorgan Chase Capital XXI Series U, 5.844% due 2/02/2037 (b)	3,433,383
		7,851,487
Electric Utilities -- 1.9%		
25,000	Alabama Power Co., 6.50%	631,250
28,800	Entergy Arkansas, Inc., 6.45%	741,600
22,650	Entergy Louisiana LLC, 6.95%	2,353,607
		3,726,457
Insurance -- 11.7%		

4,975,000	AXA SA, 6.379% (b)(f)	4,531,011
55,000	Aspen Insurance Holdings Ltd., 7.401% (b)	1,289,063
	Axis Capital Holdings Ltd:	
35,000	Series A, 7.25%	841,750
9,000	Series B, 7.50% (b)	916,594
35,200	Endurance Specialty Holdings Ltd. Series A, 7.75%	893,024
1,740,000	Financial Security Assurance Holdings Ltd., 6.40% due 12/15/2066 (b)(f)	1,569,603
2,000,000	Great West Life & Annuity Insurance Co., 7.153% due 5/16/2046 (b)(f)	2,043,250
	MetLife, Inc.:	
4,000,000	6.40% due 12/15/2036	3,789,224
70,000	Series B, 6.50%	1,740,200
1,000,000	Oil Insurance Ltd., 7.558% (b)(f)	1,027,920
1,450,000	PartnerRe Finance II, 6.44% due 12/01/2066 (b)	1,348,329
165,000	RenaissanceRe Holding Ltd. Series D, 6.60%	3,547,500
		23,537,468
Multi-Utilities -- 1.1%		
2,100,000	Dominion Resources, Inc., 7.50% due 6/30/2066 (b)	2,158,922
Oil, Gas & Consumable Fuels -- 0.4%		
825,000	Enterprise Products Operating LP, 8.375% due 8/01/2066 (b)	858,779

Schedule of Investments (continued)
BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities (continued)

Shares Held	Preferred Stocks	Value
Thrifts & Mortgage Finance -- 3.1%		
6,000	Fannie Mae Series L, 5.125%	$ 248,100
100,000	Freddie Mac Series Y, 6.55%	2,570,000
160,000	Washington Mutual Capital Trust 2001 Series K, 6.394% (b)	3,462,400
		6,280,500
Wireless Telecommunication Services -- 1.5%		
2,720	Centaur Funding Corp., 9.08% (f)	3,077,000
	Total Preferred Stocks (Cost -- $69,448,019) -- 33.1%	66,542,478

	Real Estate Investment Trusts	
Real Estate -- 10.4%		
63,800	Alexandria Real Estate Equities, Inc.	

	Series C, 8.375%	1,620,520
21,000	CBL & Associates Properties, Inc. Series C, 7.75%	504,420
610	First Industrial Realty Trust, Inc., 6.236% (b)	618,578
17,000	HCP, Inc. Series F, 7.10%	379,950
	HRPT Properties Trust:	
425,000	Series B, 8.75%	10,625,000
125,000	Series C, 7.125%	2,951,250
44,000	Health Care REIT, Inc. Series F, 7.625%	1,078,000
59,500	iStar Financial, Inc. Series I, 7.50%	1,297,100
15,000	Kimco Realty Corp. Series G, 7.75% (i)	380,250
18,400	PS Business Parks, Inc. Series K, 7.95%	462,760
40,000	Public Storage, Inc. Series I, 7.25%	982,500
	Total Real Estate Investment Trusts (Cost -- $22,087,250) -- 10.4%	20,900,328

Face Amount	Trust Preferreds	
Commercial Banks -- 1.1%		
$ 250,000	KeyCorp Capital IX, 6.75%	232,555
700,000	National City Capital Trust II, 6.625% due 11/15/2066	594,131
1,500,000	Wachovia Capital Trust IX, 6.375% due 6/01/2067	1,357,285
		2,183,971
Consumer Finance -- 1.1%		
2,325,500	Capital One Capital II, 7.50% due 6/15/2066	2,199,710
Diversified Financial Services -- 0.9%		
1,980,000	Citigroup Capital XVII, 6.35% due 3/15/2067	1,796,762
Electric Utilities -- 0.6%		
1,235,000	PPL Energy Supply LLC, 7% due 7/15/2046	1,234,188
Gas Utilities -- 4.9%		
10,000,000	Southwest Gas Capital II, 7.70% due 9/15/2043	9,970,031
Insurance -- 1.9%		
2,000,000	ABN AMRO North America Capital Funding Trust II, 5.749% (b)(f)(g)	1,677,979
2,250,000	Lincoln National Capital VI Series F, 6.75% due 9/11/2052	2,168,955
		3,846,934
Media -- 2.7%		
5,875,000	Comcast Corp., 6.625% due 5/15/2056	5,457,992
	Total Trust Preferreds (Cost -- $28,010,801) -- 13.2%	26,689,588
	Total Preferred Securities (Cost -- $176,832,346) -- 85.3%	171,661,831

	Corporate Bonds	
Building Products -- 0.5%		
980,000	C8 Capital SPV Ltd., 6.64% (b)(f)(g)	955,471
Capital Markets -- 4.0%		
	The Bear Stearns Cos., Inc.:	
1,000,000	6.95% due 8/10/2012	1,040,692
950,000	6.40% due 10/02/2017	946,918
1,970,000	Credit Suisse Guernsey Ltd., 5.86% (b)(g)	1,835,175
610,000	Goldman Sachs Capital II, 5.793% (b)(g)	568,893
1,600,000	Lehman Brothers Holdings Capital Trust V, 6.371% (b)(g)	1,468,770
	Lehman Brothers Holdings, Inc.:	
330,000	7.394% due 9/15/2022 (b)	330,280
1,950,000	6.875% due 7/17/2037	1,932,158
		8,122,886
Commercial Banks -- 16.8%		
7,000,000	BNP Paribas, 7.195% (b)(f)(g)	6,962,536
2,015,000	Bank of Ireland Capital Funding II, LP, 5.571% (b)(f)(g)	1,852,390
2,150,000	Bank of Ireland Capital Funding III, LP, 6.107% (b)(f)(g)	1,978,140
1,325,000	Barclays Bank Plc, 7.434% (b)(f)(g)	1,404,554
8,095,000	Credit Agricole SA, 6.637% (b)(f)(g)	7,693,261
1,400,000	Royal Bank of Scotland Group Plc, 6.99% (b)(f)(g)	1,424,500
1,900,000	Royal Bank of Scotland Plc Series MTN, 7.64% (b)(g)	1,969,373
5,325,000	Societe Generale, 5.922% (b)(f)(g)	5,067,749
3,350,000	Standard Chartered Bank, 7.014% (b)(f)(g)	3,352,110
2,125,000	Woori Bank, 6.208% due 5/02/2067 (b)(f)	1,980,882
		33,685,495
Containers & Packaging -- 2.3%		
5,000,000	Sealed Air Corp., 6.875% due 7/15/2033 (f)	4,726,705
Diversified Financial Services -- 3.9%		
935,000	CIT Group, Inc., 5.734% due 11/23/2007 (b)	933,459
1,100,000	HVB Funding Trust I, 8.741% due 6/30/2031 (f)	1,276,018
5,625,000	JPMorgan Chase Capital XXV, 6.80% due 10/01/2037	5,618,796
		7,828,273
Diversified Telecommunication Services -- 2.6%		
4,000,000	France Telecom SA, 8.50% due 3/01/2031	5,241,380
Electric Utilities -- 6.3%		
5,000,000	Energy East Corp., 6.75% due 9/15/2033	5,149,900
1,500,000	PPL Capital Funding, 6.70% due 3/30/2067 (b)	1,447,378
6,175,000	Virginia Electric and Power Co. Series A, 6% due 5/15/2037	6,067,574
		12,664,852

Schedule of Investments (continued)
BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Face Amount	Corporate Bonds	Value
Gas Utilities -- 1.2%		
$2,350,000	Southern Union Co., 7.20% due 11/01/2066 (b)	$ 2,345,800
Insurance -- 21.3%		
	The Allstate Corp. (b):	
3,200,000	6.50% due 5/15/2057	3,102,851
2,625,000	Series B, 6.125% due 5/15/2037	2,566,909
3,100,000	American International Group, Inc., 6.25% due 3/15/2037	2,884,882
4,475,000	Chubb Corp., 6.375% due 3/29/2037 (b)	4,405,105
3,560,000	Everest Reinsurance Holdings, Inc., 6.60% due 5/01/2067 (b)	3,328,824
2,550,000	Liberty Mutual Group, Inc., 7% due 3/15/2037 (b)(f)	2,396,980
1,250,000	Lincoln National Corp., 6.05% due 4/20/2067 (b)	1,198,001
2,450,000	Nationwide Life Global Funding I, 6.75% due 5/15/2037	2,356,799
2,900,000	Progressive Corp., 6.70% due 6/15/2037 (b)	2,845,721
2,120,000	QBE Capital Funding II LP, 6.797% (b)(f)(g)	2,073,356
700,000	Reinsurance Group of America, 6.75% due 12/15/2065 (b)	665,642
2,225,000	Swiss Re Capital I LP, 6.854% (b)(f)(g)	2,244,151
5,750,000	The Travelers Cos., Inc., 6.25% due 3/15/2067 (b)	5,583,635
1,425,000	XL Capital Ltd. Series E, 6.50% (b)(g)	1,323,440
	ZFS Finance (USA) (b)(f):	
1,800,000	Trust II, 6.45% due 12/15/2065	1,731,103
4,355,000	Trust V, 6.50% due 5/09/2037	4,191,265
		42,898,664
Media -- 3.4%		
2,000,000	TCI Communications, Inc., 8.75% due 8/01/2015	2,345,668
4,000,000	Time Warner, Inc., 7.625% due 4/15/2031 (d)	4,450,492
		6,796,160
Multi-Utilities -- 0.2%		
475,000	Puget Sound Energy, Inc. Series A, 6.974% due 6/01/2067 (b)	446,746
Oil, Gas & Consumable Fuels -- 1.0%		
2,150,000	TransCanada PipeLines Ltd., 6.35% due 5/15/2067 (b)	2,080,127
Wireless Telecommunication Services -- 1.3%		
2,205,000	Sprint Capital Corp., 8.75% due 3/15/2032	2,514,273
	Total Corporate Bonds (Cost -- $132,612,099) -- 64.8%	130,306,832

	Government & Agency Obligations	
1,740,000	U.S. Treasury Bond, 4.75% due 2/15/2037	1,739,048
1,630,000	U.S. Treasury Note, 4.75% due 8/15/2017	1,665,911
	Total Government & Agency Obligations (Cost -- $3,411,864) -- 1.7%	3,404,959

Beneficial Interest	Short-Term Securities	
22,956,095	BlackRock Liquidity Series, LLC Cash Sweep Series, 4.96% (c)(e)	22,956,095
	Total Short-Term Securities (Cost -- $22,956,095) -- 11.4%	22,956,095
	Total Investments Before Borrowed Bond Agreements and Borrowed Bonds (Cost -- $335,812,404) -- 163.2%	328,329,717

Face Amount	Borrowed Bond Agreements	
	Lehman Brothers, Inc. (j):	
2,560,950	4.20% due 11/02/2007, T/D 10/09/2007, closing amount $2,567,822	2,560,950
1,356,469	4.20% due 11/09/2007, T/D 10/18/2007, closing amount $1,359,792	1,356,469
	Total Borrowed Bond Agreements (Cost -- $3,917,419) -- 2.0%	3,917,419

	Borrowed Bonds	
(3,845,000)	U.S. Treasury Notes, 4.75% due 8/15/2017 (j)	(3,929,709)
	Total Borrowed Bonds (Proceeds -- $3,913,699) -- (2.0%)	(3,929,709)

Total Investments, Net of Borrowed Bond Agreements and Borrowed Bonds (Cost -- $335,816,124*) -- 163.2%	328,317,427
Other Assets Less Liabilities --4.7%	9,364,017
Preferred Stock, at Redemption Value -- (67.9%)	(136,526,775)
Net Assets Applicable to Common Stock -- 100.0%	$ 201,154,669

Schedule of Investments (concluded)

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

* The cost and unrealized appreciation (depreciation) of investments, excluding borrowed bond agreements and borrowed bonds, as of October 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	$ 335,806,445
Gross unrealized appreciation	$ 3,121,521
Gross unrealized depreciation	(10,598,249)
Net unrealized depreciation	$ (7,476,728)

(a) Depositary receipts.
(b) Floating rate security.
(c) 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
BlackRock Liquidity Series, LLC Cash Sweep Series	$1,769,636	$1,415,121

(d) All or a portion of security held as collateral in connection with open financial futures contracts.
(e) Represents the current yield as of October 31, 2007.
(f) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
(g) The security is a perpetual bond and has no stated maturity date.
(h) All or a portion of security held as collateral in connection with open reverse repurchase agreement.

Reverse repurchase agreement outstanding as of October 31, 2007 was as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Credit Suisse First Boston LLC	5.25%	9/26/07	To be determined	$593,097	$590,000

(i) Non-income producing security.
(j) See Note 1(h) and 1(i) of Notes to Financial Statements.
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. These industry classifications are unaudited.
o Financial futures contracts sold as of October 31, 2007 were as follows:

Number of	Expiration	Face	Unrealized

Contracts	Issue	Date	Value	Depreciation
862	10-Year U.S. Treasury Notes	December 2007	$94,328,736	$(504,733)
322	30-Year U.S. Treasury Notes	December 2007	$36,121,676	(133,512)
Total Unrealized Depreciation				$(638,245)

See Notes to Financial Statements.

Schedule of Investments As of October 31, 2007
BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities

Face Amount	Capital Trusts	Value
Capital Markets -- 1.5%		
$13,535,000	State Street Capital Trust IV, 6.694% due 6/01/2067 (b)	$ 12,222,037
Commercial Banks -- 18.3%		
12,035,000	ABN AMRO North America Holding Preferred Capital Repackaging Trust I, 6.523% (b)(f)(g)	12,375,651
2,811,000	Abbey National Capital Trust I, 8.963% (b)(g)	3,429,991
18,350,000	BB&T Capital Trust IV, 6.82% due 6/12/2077 (b)	17,875,432
2,000,000	Bank One Capital III, 8.75% due 9/01/2030	2,433,010
6,115,000	Barclays Bank Plc, 5.926% (b)(f)(g)	5,788,019
16,455,000	Chase Capital II Series B, 5.411% due 2/01/2027 (b)	14,983,002
3,875,000	Dresdner Funding Trust I, 8.151% due 6/30/2031 (f)	4,239,545
3,630,000	First Empire Capital Trust II, 8.277% due 6/01/2027	3,784,921
2,000,000	HSBC America Capital Trust I, 7.808% due 12/15/2026 (f)	2,078,080
15,835,000	HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (b)(f)(g)	20,823,833
7,300,000	HSBC Finance Capital Trust IX, 5.911% due 11/30/2035 (b)	6,980,428
12,275,000	Hubco Capital Trust II Series B, 7.65% due 6/15/2028	12,766,000
3,850,000	Huntington Capital III, 6.65% due 5/15/2037 (b)	3,612,894
2,000,000	Lloyds TSB Bank Plc, 6.90% (g)	1,955,000
18,470,000	Nationsbank Capital Trust III, 5.793% due 1/15/2027 (b)	17,129,484
9,255,000	RBS Capital Trust B, 6.80% (g)	9,046,763
3,930,000	Royal Bank of Scotland Group PLC, 7.648% (b)(g)	4,195,393
4,175,000	SunTrust Preferred Capital I, 5.853% (b)(g)	4,098,881
		147,596,327

Consumer Finance -- 2.2%		
13,670,000	Capital One Capital III, 7.686% due 8/15/2036	13,249,743
4,630,000	MBNA Capital A, 8.278% due 12/01/2026	4,810,079
		18,059,822
Diversified Financial Services -- 4.1%		
15,000,000	AgFirst Farm Credit Bank, 8.393% due 12/15/2016 (b)	16,221,795
9,000,000	Farm Credit Bank of Texas Series 1, 7.561% (b)(g)	9,728,190
8,375,000	JPMorgan Chase Capital XXIII, 6.558% due 5/15/2077 (b)	7,380,628
		33,330,613
Electric Utilities -- 0.6%		
5,000,000	SWEPCO Capital I, 5.25% due 10/01/2043 (b)	4,999,960
Insurance -- 9.6%		
12,175,000	AON Corp., 8.205% due 1/01/2027	13,223,438
11,300,000	Ace Capital Trust II, 9.70% due 4/01/2030	14,435,976
15,000,000	Farmers Exchange Capital, 7.05% due 7/15/2028 (f)	15,251,175
10,000,000	GE Global Insurance Holding Corp., 7.75% due 6/15/2030	11,510,180
3,000,000	Genworth Financial, Inc., 6.15% due 11/15/2066 (b)	2,799,273
6,066,000	ING Capital Funding Trust III, 8.439% (b)(g)	6,555,071
3,605,000	Oil Casualty Insurance Ltd., 8% due 9/15/2034 (f)	3,585,511
6,325,000	Principal Life Insurance Co., 8% due 3/01/2044 (Surplus Notes) (f)	6,726,467
3,750,000	Zenith National Insurance Capital Trust I, 8.55% due 8/01/2028 (f)	3,693,750
		77,780,841
Multi-Utilities -- 1.3%		
10,000,000	Dominion Resources Capital Trust I, 7.83% due 12/01/2027	10,436,490
Road & Rail -- 0.4%		
3,750,000	BNSF Funding Trust I, 6.613% due 12/15/2055 (b)	3,501,683
Thrifts & Mortgage Finance -- 0.6%		
1,000,000	Astoria Capital Trust I, 9.75% due 11/01/2029 (f)	1,062,500
3,875,000	Webster Capital Trust IV, 7.65% due 6/15/2037 (b)	3,843,690
		4,906,190
	Total Capital Trusts (Cost -- $321,011,283) -- 38.6%	312,833,963

Shares Held	Preferred Stocks

BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Capital Markets -- 1.2%		
7,600,000	Ameriprise Financial, Inc., 7.518% due 6/01/2066 (b)	7,767,071
72,200	Deutsche Bank Contingent Capital Trust II, 6.55%	1,732,800
		9,499,871
Commercial Banks --10.7%		
4,000,000	Barclays Bank Plc, 6.278% (b)	3,528,944
4,650	First Tennessee Bank NA, 6.10% (b)(f)	4,462,547
8,000,000	ICICI Bank Ltd., 7.25% (b)(f)	7,428,240
	Provident Financial Group, Inc., 7.75%	4,331,596
16,075,000	Resona Preferred Global Securities Ltd., 7.191% (b)(f)	16,142,644
4,800,000	Royal Bank of Scotland Group Plc, 9.118%	5,134,003
23,000	SG Preferred Capital II, 6.302% (b)	24,078,125
	Santander Finance Preferred SA Unipersonal (f):	
599,000	6.50%	14,076,500
250,000	6.80%	5,859,375
48,000	Sovereign Bancorp, Inc. Series C, 7.30% (a)	1,248,000
		86,289,974
Diversified Financial Services -- 3.9%		
390,000	Bank of America Corp., 6.625%	10,042,500
152,000	Cobank ACB, 7% (f)	7,578,416
15,525,000	JPMorgan Chase Capital XXI Series U, 5.844% due 2/02/2037 (b)	13,773,454
		31,394,370

Preferred Securities (continued)

Shares Held	Preferred Stocks	Value
Electric Utilities -- 1.8%		
	Alabama Power Co.:	
14,000	5.83%	$ 318,500
145,000	6.50%	3,661,250
114,400	Entergy Arkansas, Inc., 6.45%	2,945,800
49,850	Entergy Louisiana LLC, 6.95%	5,180,013
80,000	Interstate Power & Light Co. Series B, 8.375%	2,408,000
		14,513,563
Insurance -- 15.8%		
400,000	ACE Ltd. Series C, 7.80%	10,200,000
25,825,000	AXA SA, 6.379% (b)(f)	23,520,274
194,000	Aspen Insurance Holdings Ltd., 7.401% (b)	4,546,875
	Axis Capital Holdings Ltd.:	

140,000	Series A, 7.25%	3,367,000
36,000	Series B, 7.50% (b)	3,666,377
139,200	Endurance Specialty Holdings Ltd. Series A, 7.75%	3,531,504
6,930,000	Financial Security Assurance Holdings Ltd., 6.40% due 12/15/2066 (b)(f)	6,251,352
7,500,000	Great West Life & Annuity Insurance Co., 7.153% due 5/16/2046 (b)(f)	7,662,187
	MetLife, Inc.:	
15,875,000	6.40% due 12/15/2036	15,038,483
493,000	Series B, 6.50%	12,255,980
5,000,000	Oil Insurance Ltd., 7.558% (b)(f)	5,139,600
5,700,000	PartnerRe Finance II, 6.44% due 12/01/2066 (b)	5,300,327
140,000	Prudential Plc, 6.50%	3,290,000
660,000	RenaissanceRe Holding Ltd. Series D, 6.60%	14,190,000
9,800	Zurich RegCaPS Funding Trust, 6.58% (b)(f)	10,072,563
		128,032,522
Multi-Utilities -- 1.5%		
8,400,000	Dominion Resources, Inc., 7.50% due 6/30/2066 (b)	8,635,687
140,000	Pacific Gas & Electric Co. Series A, 6%	3,584,000
		12,219,687
Oil, Gas & Consumable Fuels -- 0.5%		
4,225,000	Enterprise Products Operating LP, 8.375% due 8/01/2066 (b)	4,397,988
Thrifts & Mortgage Finance -- 3.8%		
264,650	Fannie Mae Series L, 5.125%	10,943,278
	Freddie Mac:	
120,000	Series Q, 5.16% (b)	5,520,000
392,000	Series Y, 6.55%	10,074,400
40	Roslyn Real Estate Asset Corp. Series D, 8.88% (b)	4,021,250
		30,558,928
Wireless Telecommunication Services -- 0.3%		
2,423	Centaur Funding Corp., 9.08% (f)	2,741,019
	Total Preferred Stocks (Cost -- $329,991,491) -- 39.5%	319,647,922

Shares Held	Real Estate Investment Trusts	Value
Real Estate -- 5.4%		
251,400	Alexandria Real Estate Equities, Inc. Series C, 8.375%	6,385,560
100,000	CBL & Associates Properties, Inc. Series C, 7.75%	2,402,000
400,000	Developers Diversified Realty Corp., 8%	10,064,000
2,390	First Industrial Realty Trust, Inc., 6.236% (b)	2,423,609
4,000	Firstar Realty LLC, 8.875% (f)	5,275,000
50,000	HCP, Inc. Series F, 7.10%	1,117,500
172,800	Health Care REIT, Inc. Series F, 7.625%	4,233,600

50,000	Kimco Realty Corp. Series F, 6.65%	1,140,500
40,000	PS Business Parks, Inc. Series K, 7.95%	1,006,000
160,000	Public Storage, Inc. Series I, 7.25%	3,930,000
3,857	Sovereign Real Estate Investment Corp., 12% (f)	5,376,658
	Total Real Estate Investment Trusts (Cost -- $43,495,510) -- 5.4%	43,354,427

Face Amount	Trust Preferreds	
Commercial Banks -- 1.4%		
$ 3,725,000	KeyCorp Capital IX, 6.75%	3,447,114
2,790,000	National City Capital Trust II, 6.625% due 11/15/2066	2,368,034
6,415,000	Wachovia Capital Trust IX, 6.375% due 6/01/2067	5,820,034
		11,635,182
Communications Equipment -- 0.2%		
2,000,000	Corporate-Backed Trust Certificates, 8.375% due 11/15/2028	2,005,802
Consumer Finance -- 2.0%		
16,702,000	Capital One Capital II, 7.50% due 6/15/2066	15,798,561
Diversified Financial Services -- 0.8%		
7,547,500	Citigroup Capital XVII, 6.35% due 3/15/2067	6,848,705
Electric Utilities -- 1.3%		
1,250,000	Georgia Power Co. Series O, 1.475% due 4/15/2033	1,166,093
1,250,000	HECO Capital Trust III, 6.50% due 3/18/2034	1,182,462
1,250,000	National Rural Utilities Cooperative Finance Corp., 6.75% due 2/15/2043	1,200,616
5,835,000	PPL Energy Supply LLC, 7% due 7/15/2046	5,852,297
950,000	Virginia Power Capital Trust II, 1.844% due 7/30/2042	949,998
		10,351,466
Gas Utilities -- 0.7%		
5,750,000	Southwest Gas Capital II, 7.70% due 9/15/2043	5,733,971
Insurance -- 2.6%		
11,000,000	ABN AMRO North America Capital Funding Trust II, 5.749% (b)(f)(g)	9,228,382
7,375,000	Berkley W.R. Capital Trust II, 6.75% due 7/26/2045	6,883,083
5,000,000	Lincoln National Capital VI Series F, 6.75% due 9/11/2052	4,820,818
		20,932,283

Schedule of Investments (continued)
BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities (concluded)

Face Amount	Trust Preferreds	Value
Media -- 2.7%		
$23,375,000	Comcast Corp., 6.625% due 5/15/2056	$ 21,779,259
Multi-Utilities -- 0.1%		
397,425	PSEG Funding Trust II, 8.75% due 12/31/2032	397,414
Thrifts & Mortgage Finance -- 0.7%		
6,000,000	Dime Community Capital I, 7% due 4/14/2034	5,640,000
	Total Trust Preferreds (Cost -- $108,131,669) -- 12.5%	101,122,643
	Total Preferred Securities (Cost -- $802,629,953) -- 96.0%	776,958,955

	Corporate Bonds	
Automobiles -- 1.7%		
11,000,000	DaimlerChrysler NA Holding Corp., 8.50% due 1/18/2031	13,976,611
Building Products -- 0.5%		
3,915,000	C8 Capital SPV Ltd., 6.64% (b)(f)(g)	3,817,008
Capital Markets -- 4.1%		
	The Bear Stearns Cos., Inc.:	
4,000,000	6.95% due 8/10/2012	4,162,768
3,750,000	6.40% due 10/02/2017	3,737,835
9,045,000	Credit Suisse Guernsey Ltd., 5.86% (b)(g)	8,425,969
2,445,000	Goldman Sachs Capital II, 5.793% (b)(g)	2,280,234
6,400,000	Lehman Brothers Holdings Capital Trust V, 6.371% (b)(g)	5,875,078
	Lehman Brothers Holdings, Inc.:	
1,310,000	7.394% due 9/15/2022 (b)	1,311,114
7,800,000	6.875% due 7/17/2037	7,728,630
		33,521,628
Commercial Banks -- 17.2%		
28,025,000	BNP Paribas, 7.195% (b)(d)(f)(g)	27,875,010
8,065,000	Bank of Ireland Capital Funding II, LP, 5.571% (b)(f)(g)	7,414,154
8,575,000	Bank of Ireland Capital Funding III, LP, 6.107% (b)(f)(g)	7,889,557
5,250,000	Barclays Bank Plc, 7.434% (b)(f)(g)	5,565,215
32,375,000	Credit Agricole SA, 6.637% (b)(f)(g)	30,768,293
5,000,000	HBOS Plc, 6.657% (b)(f)(g)	4,443,250
5,575,000	Royal Bank of Scotland Group Plc, 6.99% (b)(f)(g)	5,672,563
7,500,000	Royal Bank of Scotland Plc Series MTN,	

	7.64% (b)(g)	7,773,840
21,250,000	Societe Generale, 5.922% (b)(f)(g)	20,223,413
13,550,000	Standard Chartered Bank, 7.014% (b)(f)(g)	13,558,537
8,500,000	Woori Bank, 6.208% due 5/02/2067 (b)(f)	7,923,530
		139,107,362
Diversified Financial Services -- 3.9%		
3,725,000	CIT Group, Inc., 5.734% due 11/23/2007 (b)	3,718,861
4,405,000	HVB Funding Trust I, 8.741% due 6/30/2031 (f)	5,109,870
23,000,000	JPMorgan Chase Capital XXV, 6.80% due 10/01/2037	22,974,631
		31,803,362
Diversified Telecommunication Services -- 4.1%		
25,500,000	France Telecom SA, 8.50% due 3/01/2031	33,413,798
Electric Utilities -- 4.1%		
16,575,000	Duke Energy Field Services LLC, 8.125% due 8/16/2030	19,402,960
5,925,000	PPL Capital Funding, 6.70% due 3/30/2067 (b)	5,717,145
7,825,000	Virginia Electric and Power Co. Series A, 6% due 5/15/2037	7,688,868
		32,808,973
Gas Utilities -- 1.8%		
14,400,000	Southern Union Co., 7.20% due 11/01/2066	14,374,267
Insurance -- 20.4%		
	The Allstate Corp. (b):	
12,775,000	6.50% due 5/15/2057	12,387,164
10,450,000	Series B, 6.125% due 5/15/2037	10,218,741
12,395,000	American International Group, Inc., 6.25% due 3/15/2037	11,534,874
17,700,000	Chubb Corp., 6.375% due 3/29/2067 (b)	17,423,544
14,280,000	Everest Reinsurance Holdings, Inc., 6.60% due 5/01/2067 (b)	13,352,700
10,150,000	Liberty Mutual Group, Inc., 7% due 3/15/2037 (b)(f)	9,540,919
5,025,000	Lincoln National Corp., 6.05% due 4/20/2067 (b)	4,815,965
9,675,000	Nationwide Life Global Funding I, 6.75% due 5/15/2037	9,306,953
11,650,000	Progressive Corp., 6.70% due 6/15/2037 (b)	11,431,947
8,525,000	QBE Capital Funding II LP, 6.797% (b)(f)(g)	8,337,433
3,000,000	Reinsurance Group of America, 6.75% due 12/15/2065 (b)	2,852,751
585,495	START 2004-1, 5.417% due 4/21/2011	584,031
8,875,000	Swiss Re Capital I LP, 6.854% (b)(f)(g)	8,951,387
22,850,000	The Travelers Cos., Inc., 6.25% due 3/15/2067 (b)	22,188,881
5,725,000	XL Capital Ltd. Series E, 6.50% (b)(g)	5,316,979
17,110,000	ZFS Finance (USA) Trust V, 6.50% due 5/09/2037 (b)(f)	16,466,715
		164,710,984
Media -- 0.8%		
	Time Warner, Inc.:	
1,000,000	7.625% due 4/15/2031	1,112,623

5,000,000	7.70% due 5/01/2032	5,618,520
		6,731,143
Multi-Utilities -- 0.2%		
1,825,000	Puget Sound Energy, Inc. Series A, 6.974% due 6/01/2067 (b)	1,716,445
Oil, Gas & Consumable Fuels -- 1.0%		
8,300,000	TransCanada PipeLines Ltd., 6.35% due 5/15/2067 (b)	8,030,258
	Total Corporate Bonds (Cost -- $491,447,202) -- 59.8%	484,011,839

Schedule of Investments (concluded)

BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Face Amount	Government & Agency Obligations	Value
$ 2,965,000	U.S. Treasury Bond, 4.75% due 2/15/2037	$ 2,963,369
6,685,000	U.S. Treasury Note, 4.75% due 8/15/2017	6,832,243
	Total Government & Agency Obligations (Cost -- $9,875,646) -- 1.2%	9,795,612

	Short-Term Securities	
1,000,000	Fannie Mae, 4.90% due 11/05/2007	999,477
1,000,000	U.S. Treasury Bills, 3.90% due 11/23/2007	997,696

Beneficial Interest		
$54,265,247	BlackRock Liquidity Series, LLC Cash Sweep Series, 4.96% (c)(e)	54,265,247
	Total Short-Term Securities (Cost -- $56,262,420) -- 7.0%	56,262,420
	Total Investments Before Borrowed Bond Agreements and Borrowed Bonds (Cost -- $1,360,215,221) -- 164.0%	1,327,028,826

Face Amount	Borrowed Bond Agreements	Value
	Lehman Brothers, Inc. (h):	
10,545,500	4.20% due 11/02/2007, T/D 10/09/2007, closing amount $10,574,119	10,545,500

5,451,469	4.20% due 11/08/2007, T/D 10/18/2007, closing amount $5,463,921	5,451,469
14,616,387	4.49% due 11/08/2007, T/D 10/24/2007, closing amount $14,643,387	14,616,387
	Total Borrowed Bond Agreements (Cost -- $30,613,356) -- 3.8%	30,613,356

	Borrowed Bonds	
(14,365,000)	U.S. Treasury Bond, 4.75% due 2/15/2037 (h)	(14,357,099)
(15,825,000)	U.S. Treasury Note, 4.75% due 8/15/2017 (h)	(16,173,641)
	Total Borrowed Bonds (Proceeds -- $30,027,326) -- (3.8%)	(30,530,740)

Total Investments, Net of Borrowed Bond Agreements and Borrowed Bonds (Cost -- $1,360,801,251*) -- 164.0%	1,327,111,442
Other Assets Less Liabilities --4.0%	32,871,770
Preferred Stock, at Redemption Value -- (68.0%)	(550,571,848)
Net Assets Applicable to Common Stock -- 100.0%	$ 809,411,364

* The cost and unrealized appreciation (depreciation) of investments, excluding borrowed bond agreements and borrowed bonds, as of October 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	$ 1,358,026,204
Gross unrealized appreciation	$ 12,040,593
Gross unrealized depreciation	(43,037,971)
Net unrealized depreciation	$ (30,997,378)

(a) Depositary receipts.

(b) Floating rate security.

(c) 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
BlackRock Liquidity Series, LLC Cash Sweep Series	$33,723,746	$3,641,677

(d) All or a portion of security held as collateral in connection with open financial futures contracts.

(e) Represents the current yield as of October 31, 2007.

(f) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.

(g) The security is a perpetual bond and has no stated maturity date.

(h) See Note 1(h) and 1(i) of Notes to Financial Statements.

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. These industry classifications are unaudited.

o Financial futures contracts sold as of October 31, 2007 were as follows:

Number of Contracts	Issue	Expiration Date	Face Amount	Unrealized Depreciation
3,499	10-Year U.S. Treasury Notes	December 2007	$382,812,807	$(2,131,865)
1,392	30-Year U.S. Treasury Bonds	December 2007	$156,177,826	(552,674)
Total Unrealized Depreciation				$(2,684,539)

o Swaps outstanding as of October 31, 2007 were as follows:

	Notional Amount	Unrealized Appreciation
Sold credit default protection on Dow Jones CDX North America Investment Grade Index Series 8 and receive .35%		
Broker, Lehman Brothers Special Finance Expires June 2012	$10,000,000	$27,133
Bought credit default protection on Dow Jones CDX North America Investment Grade Index Series 8 and pay .35%		
Broker, Morgan Stanley Capital Services Inc. Expires June 2012	$10,000,000	25,994
Total		$53,127

See Notes to Financial Statements.

Statements of Net Assets

As of October 31, 2007

Assets

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Investments in unaffiliated securities, at value* ................................
Investments in affiliated securities, at value** .................................
Cash .............................................................................
Unrealized appreciation on swaps .................................................
Interest receivable ..............................................................
Receivable for securities sold ...................................................
Dividends receivable .............................................................
Receivable for swaps .............................................................
Variation margin .................................................................
Swap premiums paid ...............................................................
Prepaid expenses and other assets ................................................

Total assets .....................................................................

==================================================================================
Liabilities
----------------------------------------------------------------------------------
Reverse repurchase agreements ....................................................
Borrowed bonds, at market value*** ...............................................
Payable for securities purchased .................................................
Payable to investment adviser ....................................................
Dividends payable to Common Stock shareholders ...................................
Payable for swaps ................................................................
Interest expense payable
Swap premiums received ...........................................................
Payable for other affiliates .....................................................
Accrued expenses and other liabilities ...........................................

Total liabilities ................................................................

==================================================================================
Preferred Stock
----------------------------------------------------------------------------------
Preferred Stock, at redemption value, par value $.10 per share+ of AMPS@ at
  $25,000 per share liquidation preference .......................................

==================================================================================
Net Assets Applicable to Common Stock
----------------------------------------------------------------------------------
Net assets applicable to Common Stock ............................................
```


Statements of Net Assets (concluded)

```
As of October 31, 2007
==================================================================================
Analysis of Net Assets Applicable to Common Stock
----------------------------------------------------------------------------------

Undistributed investment income -- net ...........................................
Accumulated realized capital losses -- net .......................................
```

Unrealized depreciation -- net ....

Total accumulated losses -- net ....

Common Stock, par value $.10 per share++ ....
Paid-in capital in excess of par ....

Net Assets ....

Net asset value per share of Common Stock ....

Market price ....

* Identified cost on unaffiliated securities ....

** Identified cost on affiliated securities ....

*** Proceeds from borrowed bonds ....

\+ Preferred Stock authorized, issued and outstanding:

Series M7 Shares ....

Series T7 Shares ....

Series W7 Shares ....

Series TH7 Shares ....

Series F7 Shares ....

Series W28 Shares ....

Series TH28 Shares ....

++ Common Stock issued and outstanding ....

@ Auction Market Preferred Stock.

See Notes to Financial Statements.

Statements of Operations

For the Year Ended October 31, 2007

Investment Income

Interest* ....
Dividends ....

Total income ....

===
Expenses

Investment advisory fees ....
Interest expense ....
Commission fees ....
Accounting services ....
Transfer agent fees ....
Professional fees ....
Directors' fees and expenses ....
Printing and shareholder reports ....
Custodian fees ....
Listing fees ....
Pricing fees ....
Other ....

Total expenses ....

Investment income -- net ....

===
Realized & Unrealized Gain (Loss) -- Net

Realized gain (loss) on:
    Investments -- net ....
    Financial futures contracts and swaps -- net ....
    Borrowed bonds -- net ....

Total realized loss -- net ....

Change in unrealized appreciation/depreciation on:
    Investments -- net ....
    Financial futures contracts and swaps -- net ....
    Borrowed bonds -- net ....

Total change in unrealized appreciation/depreciation -- net ....

Total realized and unrealized loss -- net ....

===
Dividends to Preferred Stock Shareholders

Investment income -- net ....

Net Decrease in Net Assets Resulting from Operations ....

* Interest from affiliates ....

See Notes to Financial Statements.

Statements of Changes in Net Assets
BlackRock Preferred and Corporate Income Strategies Fund, Inc.

```
Increase (Decrease) in Net Assets:
===============================================================================================
Operations
-----------------------------------------------------------------------------------------------

Investment income -- net ......................................................................
Realized loss -- net ..........................................................................
Change in unrealized appreciation/depreciation -- net .........................................
Dividends to Preferred Stock shareholders .....................................................

Net increase (decrease) in net assets resulting from operations ...............................

===============================================================================================
Dividends and Distributions to Common Stock Shareholders
-----------------------------------------------------------------------------------------------
Investment income -- net ......................................................................
Tax return of capital .........................................................................

Net decrease in net assets resulting from dividends and distributions
  to Common Stock shareholders ................................................................

===============================================================================================
Common Stock Transactions
-----------------------------------------------------------------------------------------------
Value of shares issued to Common Stock shareholders in reinvestment of dividends ..............

===============================================================================================
Net Assets Applicable to Common Stock
-----------------------------------------------------------------------------------------------
Total decrease in net assets applicable to Common Stock .......................................
Beginning of year .............................................................................

End of year* ..................................................................................

  * Undistributed (accumulated distributions in excess of) investment income -- net ...........


      See Notes to Financial Statements.
```



```
Statements of Changes in Net Assets
                                BlackRock Preferred Income Strategies Fund, Inc.




Increase (Decrease) in Net Assets:
===============================================================================================
Operations
-----------------------------------------------------------------------------------------------

Investment income -- net ......................................................................
```

Realized loss -- net	
Change in unrealized appreciation/depreciation -- net	
Dividends to Preferred Stock shareholders	
Net increase (decrease) in net assets resulting from operations	
Dividends and Distributions to Common Stock Shareholders	
Investment income -- net	
Tax return of capital	
Net decrease in net assets resulting from dividends and distributions to Common Stock shareholders	
Common Stock Transactions	
Value of shares issued to Common Stock shareholders in reinvestment of dividends	
Net Assets Applicable to Common Stock	
Total increase (decrease) in net assets applicable to Common Stock	
Beginning of year	
End of year*	
* Undistributed (accumulated distributions in excess of) investment income -- net	

See Notes to Financial Statements.

Financial Highlights

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

The following per share data and ratios have been derived from information provided in the financial statements.	For the Year En October 31, 2007	2006	200
Per Share Operating Performance			
Net asset value, beginning of period	$ 22.25	$ 22.36	$ 23
Investment income -- net	2.01@@	2.14@@	2
Realized and unrealized gain (loss) -- net	(2.41)	.07	(1
Dividends to Preferred Stock shareholders from investment income -- net	(.71)	(.63)	(
Total from investment operations	(1.11)	1.58	
Less dividends and distributions to Common Stock shareholders:			
Investment income -- net	(1.18)	(1.69)	(2

Tax return of capital	(.42)	--	
Total dividends and distributions to Common Stock shareholders	(1.60)	(1.69)	(2
Offering costs resulting from the issuance of Common Stock	--	--	
Offering and underwriting costs resulting from the issuance of Preferred Stock	--	--	
Net asset value, end of period	$ 19.54	$ 22.25	$ 22
Market price per share, end of period	$ 17.29	$ 21.26	$ 21
Total Investment Return**			
Based on net asset value per share	(5.03%)	7.97%	3
Based on market price per share	(12.05%)	9.69%	
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of waiver and excluding interest expense***	1.29%	1.29%	1
Total expenses, net of waiver***	1.32%	1.29%	1
Total expenses***	1.32%	1.29%	1
Total investment income -- net***	9.38%	9.70%	9
Amount of dividends to Preferred Stock shareholders	3.29%	2.84%	1
Investment income to Common Stock shareholders -- net	6.09%	6.86%	7
Supplemental Data			
Net assets applicable to Common Stock, end of period (in thousands)	$201,155	$228,734	$229,
Preferred Stock outstanding at liquidation preference, end of period (in thousands)	$136,500	$136,500	$136,
Portfolio turnover	88%	19%	
Leverage			
Asset coverage per $1,000	$ 2,474	$ 2,676	$ 2,

* Annualized.

** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially dif ferent returns. Total investment returns exclude the effects of sales charges.

*** Do not reflect the effect of dividends to Preferred Stock shareholders.

\+ Commencement of operations.

@ Aggregate total investment return.

@@ Based on average shares outstanding.

See Notes to Financial Statements.

Financial Highlights (concluded)

BlackRock Preferred Income Strategies Fund, Inc.

The following per share data and ratios have been derived from information provided in the financial statements.	For the Year En October 31, 2007	2006	200
Per Share Operating Performance			
Net asset value, beginning of period	$ 22.36	$ 22.26	$ 23
Investment income -- net	2.02@@	2.03@@	2
Realized and unrealized gain (loss) -- net	(2.35)	.32	(
Dividends and distributions to Preferred Stock shareholders:			
Investment income -- net	(.73)	(.65)	(
Realized gain -- net	--	--	
Total from investment operations	(1.06)	1.70	
Less dividends and distributions to Common Stock shareholders:			
Investment income -- net	(1.16)	(1.51)	(2
Realized gain -- net	--	--	
Tax return of capital	(.21)	(.09)	
Total dividends and distributions to Common Stock shareholders	(1.37)	(1.60)	(2
Offering costs resulting from the issuance of Common Stock	--	--	
Offering and underwriting costs resulting from the issuance of Preferred Stock	--	--	
Net asset value, end of period	$ 19.93	$ 22.36	$ 22
Market price per share, end of period	$ 16.94	$ 20.12	$ 21
Total Investment Return**			
Based on net asset value per share	(4.35%)	8.77%	3
Based on market price per share	(9.65%)	2.77%	1
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of waiver and excluding interest expense***	1.23%	1.23%	1
Total expenses, net of waiver ***	1.27%	1.23%	1
Total expenses***	1.27%	1.23%	1

Total investment income -- net***	9.29%	9.26%	8
Amount of dividends to Preferred Stock shareholders	3.34%	2.96%	1
Investment income to Common Stock shareholders -- net	5.95%	6.30%	7
Supplemental Data			
Net assets applicable to Common Stock, end of period (in thousands)	$809,411	$907,897	$903,
Preferred Stock outstanding at liquidation preference, end of period (in thousands)	$550,000	$550,000	$550,
Portfolio turnover	81%	18%	
Leverage			
Asset coverage per $1,000	$ 2,472	$ 2,651	$ 2,

* Annualized.

** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially dif ferent returns. Total investment returns exclude the effects of sales charges.

*** Do not reflect the effect of dividends to Preferred Stock shareholders.

\+ Commencement of operations.

@ Aggregate total investment return.

@@ Based on average shares outstanding.

See Notes to Financial Statements.

Notes to Financial Statements

1. Significant Accounting Policies:

BlackRock Preferred and Corporate Income Strategies Fund, Inc. and BlackRock Preferred Income Strategies Fund, Inc. (the "Funds" or individually as the "Fund") are registered under the Investment Company Act of 1940, as amended, as diversified, closed-end management investment companies. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds' Common Stock shares are listed on the New York Stock Exchange ("NYSE") under the symbol PSW for BlackRock Preferred and Corporate Income Strategies Fund, Inc. and PSY for BlackRock Preferred Income Strategies Fund, Inc. The following is a summary of significant accounting policies followed by the Funds.

(a) Valuation of investments -- Debt securities are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of each of the Funds under the general direction of the respective Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the respective Funds. Effective September 4, 2007, exchange-traded options are valued at the mean price between the last bid and ask prices at the close of the options market in which the options trade and previously were valued at the last sales price as of the close of options trading on applicable exchanges. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Swap agreements are valued based upon quoted fair valuations received daily by each Fund from a pricing service or counterparty. Valuation of short-term investment vehicles is generally based on the net asset value of the underlying investment vehicle or amortized cost. Repurchase agreements are valued at cost plus accrued interest. Reverse repurchase agreements are valued at cost. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of each Fund's Board of Directors.

Equity securities held by the Funds that are traded on stock exchanges or the NASDAQ Global Market are valued at the last sale price or official close price on the exchange, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price for long positions, and at the last available asked price for short positions. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange designated as the primary market by or under the authority of the Board of Directors of each Fund. Long positions traded in the OTC markets, NASDAQ Capital Market or Bulletin Board are valued at the last available bid price or yield equivalent obtained from one or more dealers or pricing services approved by the Board of Directors of each Fund. Short positions traded in the OTC markets are valued at the last available asked price. Portfolio securities that are traded both in the OTC markets and on a stock exchange are valued according to the broadest and most representative market.

Generally, trading in foreign securities, as well as U.S. government securities, and money market instruments, is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the net asset value of the Funds' shares are determined as of such times. Foreign currency exchange rates will generally be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation in each of the Funds' net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities will be valued at their fair value as determined in good faith by each Fund's Board of Directors or by BlackRock Advisors, LLC (the "Manager"), an indirect, wholly owned subsidiary of BlackRock, Inc., using a pricing service and/or procedures approved by each Fund's Board of Directors.

(b) Derivative financial instruments -- Each Fund may engage in various portfolio investment strategies both to increase the return of each Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract due to an unfavorable change in the price of the underlying security or index, or if the counterparty does not perform under the contract. The counterparty for certain instruments may pledge cash or securities as collateral.

o Options -- Each Fund may write and purchase call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

o Financial futures contracts -- Each Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon

entering into a contract, the Fund deposits, and maintains as collateral, such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

o Swaps -- Each Fund may enter into swap agreements, which are OTC contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security. These periodic payments received or made by the Fund are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Gains or losses are also realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). Risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swap agreements.

(c) Income taxes -- It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are deter-mined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

(e) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. A portion of the dividends paid by BlackRock Preferred and Corporate Income Strategies Fund, Inc. during the year ended October 31, 2007 and by BlackRock Preferred Income Strategies Fund, Inc. during the year ended October 31, 2007 and 2006 are characterized as a tax return of capital.

(f) Repurchase agreements -- Each Fund may invest in U.S. government and agency securities pursuant to repurchase agreements. Under such agreements, the counterparty agrees to repurchase the security at a mutually agreed upon time and price. The counterparty will be required on a daily basis to maintain the value of securities subject to the agreement at no less that the repurchase price. The agreements are conditioned upon the collateral being deposited under the Federal Reserve book entry system or held in a segregated account by the Fund's custodian. If the counterparty defaults and the fair value of the collateral declines, liquidation of the collateral by the Fund may be delayed or limited.

(g) Reverse repurchase agreements -- Under reverse repurchase agreements, each Fund sold securities to the counterparty and agreed to repurchase them at a mutually agreed upon date and price, and may have exchanged their respective commitments to pay or receive interest. If the counterparty defaulted on its obligation, the Fund's ability to receive interest would be delayed or limited. Furthermore, if the Fund did not have sufficient client income to pay its obligation under the reverse repurchase agreement, the Fund would be in default and the counterparty would have been able to terminate the repurchase agreement. At the time the Fund entered into a reverse repurchase agreement, it would have established a segregated account with the custodian containing cash, or cash equivalents of liquid high grade debt securities having a value at least equal to the repurchase price.

(h) Short sales/borrowed bonds -- The Funds engage in short selling of securities as a method of managing potential price declines in similar securities owned by the Fund. When a Fund engages in short selling, it may enter into a borrowed bond agreement to borrow the security sold short and deliver it to the broker-dealer with which it engaged in the short sale. A gain, limited to the price at which a Fund sold the security short or pursuant to the borrowed bond agreement, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale or borrowed bond agreement if the market price is greater or less than the proceeds originally received.

(i) Borrowed bond agreements -- In a borrowed bond agreement, each Fund borrows securities from a third party, with the commitment that they will be returned to the lender on an agreed-upon date. Borrowed bond agreements are primarily entered into settle short positions. In a borrowed bond agreement, the Fund's prime broker or third party broker takes possession of cash as collateral. The Funds receive interest income on the cash collateral relating to the borrowed bond agreement and are obligated to pay the prime broker or third party broker payments received on such borrowed securities. The cash collateral approximates the principal amount of the bonds borrowed transaction. To the extent that the bonds borrowed transactions exceed one business day, the value of the collateral with any counterparty is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the lender defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the lender of the security, realization of the collateral by the Fund may be delayed or limited.

(j) Securities lending -- Each Fund may lend securities to financial institutions that provide cash or securities issued or guaranteed by the U.S. government as collateral, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. Where the Fund receives securities as collateral for the loaned securities, it collects a fee from the borrower. The Fund typically receives the income on the loaned securities but does not receive the income on the collateral. Where the Fund receives cash collateral, it may invest such collateral and retain the amount earned on such investment, net of any amount rebated to the borrower. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within five business days. The Fund may pay reasonable finder's, lending agent, administrative and custodial fees in connection with its loans. In the event that the borrower defaults on its obligation to return borrowed securities because of insolvency or for any other reason, the Fund could experience delays and costs in gaining access to the collateral. The Fund also could suffer a loss where the value of the collateral falls below the market value of the borrowed securities, in the event of borrower default or in the event of losses on investments made with cash collateral.

(k) Recent accounting pronouncements -- In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes -- an interpretation of FASB Statement No. 109." FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including mutual funds, before being measured and recognized in the financial statements. Adoption of FIN 48 is required for the last net asset value calculation in the first required financial statement reporting period for fiscal years beginning after December 15, 2006. The impact on each Fund's financial statements, if any, is currently being assessed.

In September 2006, Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. At this time, management is evaluating the implications of FAS 157 and its impact on each Fund's financial statements, if any, has not been determined.

In addition, in February 2007, FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS 159"), which is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FAS 157. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. At this time, management is evaluating the implications of FAS 159 and its impact on each Fund's financial statements, if any, has not been determined.

(l) Reclassifications -- U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, for BlackRock Preferred and Corporate Income Strategies Fund, Inc., during the current year, $387,459 has been reclassified between accumulated net realized capital losses and accumulated distributions in excess of net investment income as a result of permanent differences attributable to the classification of investments and swap agreements. These reclassifications have no effect on net assets or net asset values per share. Accordingly, for BlackRock Preferred Income Strategies Fund, Inc., during the current year $1,344,439 has been reclassified between accumulated net realized capital losses and accumulated distributions in excess of net investment income as a result of permanent differences attributable to the classification of investments, and swap agreements. This reclassification has no effect on net assets or net asset values per share.

2. Investment Advisory Agreement and Transactions with Affiliates:

Each Fund entered into an Investment Advisory Agreement with the Manager. Merrill Lynch & Co., Inc. ("Merrill Lynch") and The PNC Financial Services Group, Inc. are the principal owners of BlackRock, Inc.

The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays a monthly fee at an annual rate of .60% of each Fund's average daily net assets (including proceeds from the issuance of Preferred Stock) plus the proceeds of any outstanding borrowings used for leverage. In addition, the Manager has entered into a sub-advisory agreement with BlackRock Financial Management, Inc., an affiliate of the Manager, under which the Manager pays the sub-adviser for services it provides to each Fund a monthly fee at an annual rate that is a percentage of the management fee paid by each Fund to the Manager.

The Funds have received an exemptive order from the Securities and Exchange Commission permitting them to lend portfolio securities to Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a wholly owned subsidiary of Merrill Lynch, or its affiliates. Pursuant to that order,

the Funds have retained BlackRock Investment Management, LLC ("BIM"), an affiliate of the Manager, as the securities lending agent for a fee based on a share of the returns on investment of cash collateral. BIM may, on behalf of the Funds, invest cash collateral received by the Funds for such loans, among other things, in a private investment company managed by the Manager or in registered money market funds advised by the Manager or its affiliates.

The Funds reimbursed the Manager for certain accounting services. The reimbursements were as follows:

	For the Year Ended October 31, 2007
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	$ 6,691
BlackRock Preferred Income Strategies Fund, Inc.	$26,841

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock, Inc. or its affiliates.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2007 were as follows:

	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	BlackRock Preferred Income Strategies Fund, Inc.
Total Purchases	$289,322,421	$1,091,856,649
Total Sales	$286,701,401	$1,109,155,883

4. Stock Transactions:

Each Fund is authorized to issue 200,000,000 shares of capital stock, including Preferred Stock, par value $.10 per share, all of which were initially classified as Common Stock. Each Fund's Board of Directors is authorized, however, to reclassify any unissued shares of capital stock without approval of the holders of Common Stock.

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

Shares issued and outstanding during the year ended October 31, 2007 increased by 12,692 as a result of dividend reinvestment and October 31, 2006 remained constant.

BlackRock Preferred Income Strategies Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2007 and October 31, 2006 remained constant and increased by 13,470 as a result of dividend reinvestment, respectively.

Preferred Stock

Auction Market Preferred Stock are redeemable shares of Preferred Stock of the Funds, with a par value of $.10 per share and liquidation preference of $25,000 per share, plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2007 were as follows:

	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	BlackRock Preferred Income Strategies Fund, Inc.
Series M7	5.15%	4.98%
Series T7	5.10%	5.10%
Series W7	--	5.15%
Series TH7	--	5.10%
Series F7	--	4.90%
Series W28	--	5.30%
Series TH28	--	5.50%

Each Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the year ended October 31, 2007, MLPF&S earned commissions as follows:

	Commissions
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	$214,971
BlackRock Preferred Income Strategies Fund, Inc.	$531,046

5. Reverse Repurchase Agreement:

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

For the year ended October 31, 2007, the Fund's average amount outstanding was approximately $2,690,000 and daily weighted average interest rate was 5%.

BlackRock Preferred Income Strategies Fund, Inc.

For the year ended October 31, 2007, the Fund's average amount outstanding was approximately $14,375,000 and daily weighted average interest rate was 5.14%.

Notes to Financial Statements (concluded)

6. Distributions to Shareholders:

Each Fund paid an ordinary income dividend to holders of Common Stock on November 30, 2007 to shareholders of record on November 15, 2007. The amount of the ordinary income dividend per share was as follows:

	Per Share Amount
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	$.133333
BlackRock Preferred Income Strategies, Inc.	$.114583

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

The tax character of distributions paid during the fiscal years ended October 31, 2007 and October 31, 2006 was as follows:

	10/31/2007	10/31/2006
Distributions paid from:		
Ordinary income	$19,378,907	$23,770,856
Tax return of capital	4,335,991	--
Total distributions	$23,714,898	$23,770,856

As of October 31, 2007, the components of accumulated losses on a tax basis were as follows:

Undistributed ordinary income -- net	--
Undistributed long-term capital gains -- net	--

Total undistributed income -- net	--
Capital loss carryforward	$(31,784,984)*
Unrealized losses -- net	(6,483,631)**
Total accumulated losses -- net	$(38,268,615)

* At October 31, 2007, the Fund had a net capital loss carryforward of $31,784,984, of which $1,276,621 expires in 2011, $10,243,141 expires in 2012, $5,058,900 expires in 2013, $8,481,628 expires in 2014 and $6,724,694 expires in 2015. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized losses is attributable primarily to the tax deferral of losses on wash sales, realization for tax purposes of unrealized gains (losses) on certain futures contracts, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies and the timing of income recognition on partnership interests.

BlackRock Preferred Income Strategies Fund, Inc.

The tax character of distributions paid during the fiscal years ended October 31, 2007 and October 31, 2006 was as follows:

	10/31/2007	10/31/2006
Distributions paid from:		
Ordinary income	$76,611,467	$87,672,454
Tax return of capital	8,692,071	3,547,483
Total distributions	$85,303,538	$91,219,937

As of October 31, 2007, the components of accumulated losses on a tax basis were as follows:

Undistributed ordinary income -- net	--
Undistributed long-term capital gains -- net	--
Total undistributed income -- net	--
Capital loss carryforward	$(112,373,074)*
Unrealized losses -- net	(28,846,626)**
Total accumulated losses -- net	$(141,219,700)

* At October 31, 2007, the Fund had a net capital loss carryforward of $112,373,074, of which $62,733,648 expires in 2012, $17,911,331 expires in 2013, $12,145,117 expires in 2014 and $19,582,978 expires in 2015. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized losses is attributable primarily to the tax deferral of losses on wash sales, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies, the realization for tax purposes of unrealized gains (losses) on certain futures contracts and the timing of income recognition on partnership interests.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of BlackRock Preferred and Corporate Income Strategies Fund, Inc. and of BlackRock Preferred Income Strategies Fund, Inc.:

We have audited the accompanying statements of net assets, including the schedules of investments, of BlackRock Preferred and Corporate Income Strategies Fund, Inc. and of BlackRock Preferred Income Strategies Fund, Inc. (the "Funds") as of October 31, 2007, and the related statements of operations for the year then ended and the statements of changes in net assets and the financial highlights for each of the two years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The respective financial statements of each of the Funds for the year ended October 31, 2005 and the financial highlights for each of the Funds for each of the two years in the period ended October 31, 2005 and for the period March 28, 2003 through October 31, 2003, were audited by other auditors whose report, dated December 9, 2005, expressed an unqualified opinion on those financial statements and financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2007, by correspondence with the custodians and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the respective financial positions of BlackRock Preferred and Corporate Income Strategies Fund, Inc. and of BlackRock Preferred Income Strategies Fund, Inc. as of October 31, 2007, the results of their operations for the year then ended, the changes in their net assets, and their financial highlights for each of the two years then ended, in conformity with U.S. generally accepted accounting principles.

Deloitte & Touche LLP
Princeton, New Jersey
December 27, 2007

Important Tax Information

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

The following information is provided with respect to the ordinary income distributions paid by BlackRock Preferred and Corporate Income Strategies Fund, Inc. during the fiscal year ended October 31, 2007:

Common Stock Shareholders:

Payable Date	Qualified Dividend Income for Individuals*	Dividends Deducti Corpor
November 1, 2006	19.77%	15.
November 30, 2006 - January 9, 2007	17.44%	15.
February 28, 2007 - October 31, 2007	24.76%	14.

Preferred Stock Shareholders:

	Qualified Dividend Income for Individuals*		Dividends Received Deductions for Corporations*	
Payable Date	November 2006 - December 2006	January 2007 - October 2007	November 2006 - December 2006	January 2007- October 2007
Series M-7	17.44%	22.98%	15.46%	14.85%
Series T-7	17.44%	22.84%	15.46%	14.77%

* The Fund hereby designates the percentage indicated above or the maximum amount allowable by law.

** Represents the portion of the taxable ordinary income dividends eligible for tax exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

BlackRock Preferred Income Strategies Fund, Inc.

The following information is provided with respect to the ordinary income distributions paid by BlackRock Preferred Income Strategies Fund, Inc. during the fiscal year ended October 31, 2007:

Common Stock Shareholders:

Payable Date	Qualified Dividend Income for Individuals*	Dividends Deducti Corpor

November 1, 2006 -- January 9, 2007	21.80%	20
February 28, 2007 -- October 31, 2007	27.09%	15

Preferred Stock Shareholders:

	Qualified Dividend Income for Individuals*		Dividends Received Deductions for Corporations*	
Payable Date	November 2006 - December 2006	January 2007 - October 2007	November 2006 - December 2006	January 2007 - October 2007
Series M-7	21.80%	25.79%	20.04%	16.56%
Series T-7	21.80%	25.85%	20.04%	16.50%
Series W-7	21.80%	25.88%	20.04%	16.48%
Series TH-7	21.80%	25.78%	20.04%	16.57%
Series F-7	21.80%	25.79%	20.04%	16.56%
Series W-28	21.80%	25.78%	20.04%	16.56%
Series TH-28	21.80%	25.78%	20.04%	16.56%

* The Fund hereby designates the percentage indicated above or the maximum amount allowable by law.

** Represents the portion of the taxable ordinary income dividends eligible for tax exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

Automatic Dividend Reinvestment Plan

How the Plan Works -- The Funds offer a Dividend Reinvestment Plan (the "Plan") under which income and capital gains dividends paid by each Fund are automatically reinvested in additional shares of Common Stock of each Fund. The Plan is administered on behalf of the shareholders by Computershare Trust Company, N.A. (the "Plan Agent"). Under the Plan, whenever the Funds declare a dividend, participants in the Plan will receive the equivalent in shares of Common Stock of each Fund. The Plan Agent will acquire the shares for the participant's account either (i) through receipt of additional unissued but authorized shares of each Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market on the New York Stock Exchange or elsewhere. If, on the dividend payment date, each Fund's net asset value per share is equal to or less than the market price per share plus estimated brokerage commissions (a condition often referred to as a "market premium"), the Plan Agent will invest the dividend amount in newly issued shares. If the Funds' net asset value per share is greater than the market price per share (a condition often referred to as a "market discount"), the Plan Agent will invest the dividend amount by purchasing on the open market additional shares. If the Plan Agent is unable to invest the full dividend amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agent will invest any uninvested portion in newly issued shares. The shares acquired are credited to each shareholder's account. The amount credited is determined by dividing the dollar amount of the dividend by either (i) when the shares are newly issued, the net asset value per share on the date the shares are issued or (ii) when shares are purchased in the open market, the average purchase price per share.

Participation in the Plan -- Participation in the Plan is automatic, that is, a shareholder is automatically enrolled in the Plan when he or she purchases shares of Common Stock of the Funds unless the shareholder specifically elects not to participate in the Plan. Shareholders who elect not to participate will receive all dividend distributions in cash. Shareholders who do not wish to participate in the Plan, must advise the Plan Agent in writing (at the address set forth below) that they elect not to participate in the Plan. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by writing to the Plan Agent.

Benefits of the Plan -- The Plan provides an easy, convenient way for shareholders to make additional, regular investments in the Funds. The Plan promotes a long-term strategy of investing at a lower cost. All shares acquired pursuant to the Plan receive voting rights. In addition, if the market price plus commissions of each Fund's shares is above the net asset value, participants in the Plan will receive shares of the Funds for less than they could otherwise purchase them and with a cash value greater than the value of any cash distribution they would have received. However, there may not be enough shares available in the market to make distributions in shares at prices below the net asset value. Also, since each Fund does not redeem shares, the price on resale may be more or less than the net asset value.

Plan Fees -- There are no enrollment fees or brokerage fees for participating in the Plan. The Plan Agent's service fees for handling the reinvestment of distributions are paid for by the Funds. However, brokerage commissions may be incurred when the Funds purchase shares on the open market and shareholders will pay a pro rata share of any such commissions.

Tax Implications -- The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Therefore, income and capital gains may still be realized even though shareholders do not receive cash.

Contact Information -- All correspondence concerning the Plan, including any questions about the Plan, should be directed to the Plan Agent at Computershare Trust Company, N.A., P.O. Box 43010, Providence, RI 02940-3010, Telephone: 800-426-5523.

Officers and Directors as of October 31, 2007

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years	Nu Fu Po Fu Ov Di
Interested Trustee				
Robert C. Doll, Jr.*	Fund	2005 to	Vice Chairman and Director of BlackRock,	12

P.O. Box 9011 Princeton, NJ 08543-9011 1954	President and Director	2007	Inc., Global Chief Investment Officer for Equities, Chairman of the BlackRock Retail Operating Committee, and member of the BlackRock Executive Committee since 2006; President of the funds advised by Merrill Lynch Investment Managers, L.P. ("MLIM") and its affiliates ("MLIM/FAM-advised funds") from 2005 to 2006 and Chief Investment Officer thereof from 2001 to 2006; President of MLIM and Fund Asset Management, L.P. ("FAM") from 2001 to 2006; Co-Head (Americas Region) thereof from 2000 to 2001 and Senior Vice President from 1999 to 2001; President and Director of Princeton Services, Inc. ("Princeton Services") and President of Princeton Administrators, L.P. ("Princeton Administrators") from 2001 to 2006; Chief Investment Officer of OppenheimerFunds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.	16

* Mr. Doll is a director, trustee or member of an advisory board companies for which BlackRock Advisors, LLC and its affiliates Doll is an "interested person," as defined in the Investment Co his positions with BlackRock, Inc. and its affiliates. Director removal or death, or until December 31 of the year in which the Doll serves at the pleasure of the Board of Directors.

Independent Directors*

David O. Beim** P.O. Box 9095 Princeton, NJ 08543-9095 1940	Director	2003 to 2007	Professor of Finance and Economics at the Columbia University Graduate School of Business since 1991; Chairman of Outward Bound U.S.A. from 1997 to 2001; Chairman of Wave Hill, Inc. from 1990 to 2006; Trustee of Phillips Exeter Academy from 2002 to present.	17 24
James T. Flynn P.O. Box 9095 Princeton, NJ 08543-9095 1939	Director	2003 to present	Chief Financial Officer of JPMorgan & Co., Inc. from 1990 to 1995 and an employee of JPMorgan in various capacities from 1967 to 1995.	17 24
W. Carl Kester P.O. Box 9095 Princeton, NJ 08543-9095 1951	Director	2003 to present	Deputy Dean for Academic Affairs, Harvard Business School since 2006; Mizuho Financial Group Professor of Finance, Harvard Business School; Unit Head, Finance from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School, 1999 to 2005, Member of the faculty of Harvard Business School since 1981; Independent Consultant since 1978.	17 24
Karen P. Robards*** P.O. Box 9095 Princeton, NJ 08543-9095 1950	Director	2003 to present	Partner of Robards & Company, LLC., a financial advisory firm since 1987; formerly an investment banker with Morgan Stanley for more than ten years; Director of Enable Medical Corp. from 1996 to 2005; Director of AtriCure, Inc., since 2000; Director of Care Investment Trust, Inc. (a health care REIT), since 2007; Co-founder and Director of the	17 24

Cooke Center for Learning and Development, a not-for-profit organization, since 1987.

* Directors serve until their resignation, removal or death, or un which they turn 72.
** Chairman of the Audit Committee.
*** Chair of the Board of Directors.

Officers and Directors (concluded)

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
Fund Officers*			
Donald C. Burke P.O. Box 9011 Princeton, NJ 08543-9011 1960	Vice President and Treasurer	2003 to 2007	Managing Director of BlackRock, Inc. since 2006; Investment Managers, L.P. ("MLIM") and Fund Asse First Vice President of MLIM and FAM from 1997 t 1999 to 2006; Vice President of MLIM and FAM fro
Karen Clark P.O. Box 9011 Princeton, NJ 08543-9011 1965	Chief Compliance Officer	2007	Managing Director of BlackRock, Inc. and Chief C BlackRock-advised funds since 2007; Director of Principal and Senior Compliance Officer, State S 2005; Principal Consultant, PricewaterhouseCoope Chief, Division of Investment Management and Off Examinations, U.S. Securities and Exchange Commi
Howard Surloff P.O. Box 9011 Princeton, NJ 08543-9011 1965	Secretary	2007	Managing Director of BlackRock Inc. and General Inc. since 2006; General Counsel (U.S.) of Goldm to 2006.

* Officers of the Fund serve at the pleasure of the Board of Direc

Custodian

State Street Bank and
Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agent

Common Stock:
Computershare Trust Company, N.A.
P.O. Box 43010
Providence, RI 02940-3010

Preferred Stock:

The Bank of New York Mellon

101 Barclay Street -- 7 West
New York, NY 10286

Accounting Agent

State Street Bank and
Trust Company
Princeton, NJ 08540

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Legal Counsel

Sidley Austin llp
New York, NY 10019

The Benefits and Risks of Leveraging

The Funds utilize leverage through the issuance of Preferred Stock. The concept of leverage is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest or dividend rates on the Preferred Stock, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Stock shareholders will be the beneficiaries of the incremental yield.

Leverage creates risks for holders of Common Stock including the likelihood of greater net asset value and market price volatility. In addition, there is the risk that fluctuations in the dividend rates on any Preferred Stock may reduce the Common Stock's yield and negatively impact its net asset value and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Stock shareholders will be reduced.

Additional Information

Proxy Results BlackRock Preferred and Corporate Income Strategies Fund, Inc.

During the six-month period ended October 31, 2007, the Common Stock and Auction Market Preferred Stock (Series M7 and T7) shareholders of BlackRock Preferred and Corporate Income Strategies Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted are as follows:

Shares Vo

		For
To elect the Fund's Directors:	G. Nicholas Beckwith, III	8,762,13
	Richard E. Cavanagh	8,762,90
	Richard S. Davis	8,764,13
	Kent Dixon	8,762,90
	Kathleen F. Feldstein	8,762,74
	James T. Flynn	8,764,06
	Henry Gabbay	8,762,08
	Jerrold B. Harris	8,762,06
	R. Glenn Hubbard	8,761,05
	Karen P. Robards	8,762,33
	Robert S. Salomon, Jr.	8,762,63

During the six-month period ended October 31, 2007, the Auction Market Preferred Stock shareholders (Series M7 and T7) of BlackRock Preferred and Corporate Income Strategies Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted are as follows:

		Shares Vo For
To elect the Fund's Directors:	Frank J. Fabozzi and W. Carl Kester	3,279

Additional Information (continued)

Proxy Results BlackRock Preferred Income Strategies Fund, Inc.

During the six-month period ended October 31, 2007, the Common Stock and Auction Market Preferred Stock (Series M7, T7, W7, TH7, F7, W28 and TH28) shareholders of BlackRock Preferred Income Strategies Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted are as follows:

		Shares Vo For
To elect the Fund's Directors:	G. Nicholas Beckwith, III	36,284,0
	Richard E. Cavanagh	36,289,5
	Richard S. Davis	36,287,5

	Kent Dixon	36,280,9
	Kathleen F. Feldstein	36,276,8
	James T. Flynn	36,278,7
	Henry Gabbay	36,287,3
	Jerrold B. Harris	36,286,4
	R. Glenn Hubbard	36,283,7
	Karen P. Robards	36,287,4
	Robert S. Salomon, Jr.	36,273,9

During the six-month period ended October 31, 2007, the Auction Market Preferred Stock shareholders (Series M7, T7, W7, TH7, F7, W28 and TH28) of BlackRock Preferred Income Strategies Fund, Inc. voted on the following proposal, which was approved at an annual shareholders' meeting on August 16, 2007. This proposal was part of the reorganization of the Fund's Board of Directors to take effect on or about November 1, 2007. A description of the proposal and number of shares voted are as follows:

		Shares Vo For
To elect the Fund's Directors:	Frank J. Fabozzi	19,144
	W. Carl Kester	19,140

Additional Information (continued)

Fund Certifications

In September 2007, BlackRock Preferred and Corporate Income Strategies Fund, Inc. and BlackRock Preferred Income Strategies Fund, Inc. filed their Chief Executive Officer Certifications for the prior year with the New York Stock Exchange pursuant to Section 303A. 12(a) of the New York Stock Exchange Corporate Governance Listing Standards.

The Funds' Chief Executive Officer and Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the Funds' Form N-CSR and are available on the Securities and Exchange Commission's Web site at http://www.sec.gov.

Availability of Quarterly Schedules of Investments

The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's Web site at http://www.sec.gov. The Funds' Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Electronic Delivery

Electronic copies of most financial reports and prospectuses are available on the Funds' Web site. Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports and prospectuses by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisers, Banks or brokerages:

Please contact your financial adviser to enroll. Please note that not all investment advisers, banks or brokerages may offer this service.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our Web sites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

This report, including the financial information herein, is transmitted to shareholders of BlackRock Preferred and Corporate Income Strategies Fund, Inc. and BlackRock Preferred Income Strategies Fund, Inc. for their information. This is not a prospectus. The Funds leverage their Common Stock to provide Common Stock shareholders with potentially higher rates of return. Leverage creates risk for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of Common Stock shares, and the risk that fluctuations in short-term interest rates may reduce the Common Stock's yield. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-441-7762; (2) at www.blackrock.com; and (3) on the Securities and Exchange Commission's Web site at http://www.sec.gov. Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available (1) at www.blackrock.com and (2) on the Securities and Exchange Commission's Web site at http://www.sec.gov.

BlackRock Preferred and Corporate Income Strategies Fund, Inc.
BlackRock Preferred Income Strategies Fund, Inc.
P.O. Box 9011
Princeton, NJ 08543-9011

BLACKROCK

#PCPIS-10/07

Item 2 - Code of Ethics - The registrant (or the "Fund") has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 - Audit Committee Financial Expert - The registrant's board of directors or trustees, as applicable (the "board of directors") has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: independent:
David O. Beim (term ended effective November 1, 2007)
W. Carl Kester
James T. Flynn
Karen P. Robards
Robert S. Salomon, Jr. (term began effective November 1, 2007)
Kent Dixon (term began effective November 1, 2007)
Frank J. Fabozzi (term began effective November 1, 2007)

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is the member of the Audit Committees of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification.

Item 4 - Principal Accountant Fees and Services

	(a) Audit Fees		(b) Audit-Related Fees(1)		(c) Tax Fees(2)	
Entity Name	Current Fiscal Year End	Previous Fiscal Year End	Current Fiscal Year End	Previous Fiscal Year End	Current Fiscal Year End	Prev Fis Year
BlackRock Preferred Income Strategies Fund, Inc.	$41,000	$41,000	$3,500	$3,500	$6,100	$6,

1 The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.
2 The nature of the services include tax compliance, tax advice and tax planning.
3 The nature of the services include a review of compliance procedures and attestation thereto.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The registrant's audit committee (the "Committee") has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are

a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). However, such services will only be deemed pre-approved provided that any individual project does not exceed $5,000 attributable to the registrant or $50,000 for all of the registrants the Committee oversees. Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) Affiliates' Aggregate Non-Audit Fees:

Entity Name	Current Fiscal Year End	Previous Fiscal Year End
BlackRock Preferred Income Strategies Fund, Inc.	$295,142	$2,928,083

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser (not including any non-affiliated sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by the registrant's investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Regulation S-X Rule 2-01(c)(7)(ii) - $284,500, 0%

Item 5 - Audit Committee of Listed Registrants - The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)):

David O. Beim (term ended effective November 1, 2007)
W. Carl Kester
James T. Flynn
Karen P. Robards
Robert S. Salomon, Jr. (term began effective November 1, 2007)
Kent Dixon (term began effective November 1, 2007)
Frank J. Fabozzi (term began effective November 1, 2007)

Item 6 - Schedule of Investments - The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - The registrant has delegated the voting of proxies relating to Fund portfolio securities to its investment adviser, BlackRock Advisors, LLC and its sub-adviser, as applicable. The Proxy Voting Policies and Procedures of the adviser and sub-adviser are attached hereto as Exhibit 99.PROXYPOL.

Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12 month period ended June 30 is available without charge (1) at www.blackrock.com and (2) on the Commission's web site at http://www.sec.gov.

Proxy Voting Policies and Procedures

For BlackRock Advisors, LLC
And Its Affiliated SEC Registered Investment Advisers

September 30, 2006

Table of Contents

Proxy Voting Policies and Procedures

These Proxy Voting Policies and Procedures ("Policy") for BlackRock Advisors, LLC and its affiliated U.S. registered investment advisers(1) ("BlackRock") reflect our duty as a fiduciary under the Investment Advisers Act of 1940 (the "Advisers Act") to vote proxies in the best interests of our clients. BlackRock serves as the investment manager for investment companies, other commingled investment vehicles and/or separate accounts of institutional and other clients. The right to vote proxies for securities held in such accounts belongs to BlackRock's clients. Certain clients of BlackRock have retained the right to vote such proxies in general or in specific circumstances.(2) Other clients, however, have delegated to BlackRock the right to vote proxies for securities held in their accounts as part of BlackRock's authority to manage, acquire and dispose of account assets.

When BlackRock votes proxies for a client that has delegated to BlackRock proxy voting authority, BlackRock acts as the client's agent. Under the Advisers Act, an investment adviser is a fiduciary that owes each of its clients a duty of care and loyalty with respect to all services the adviser undertakes on the client's behalf, including proxy voting. BlackRock is therefore subject to a fiduciary duty to vote proxies in a manner BlackRock believes is consistent with the client's best interests,(3) whether or not the client's proxy voting is subject to the fiduciary standards of the Employee Retirement Income Security Act of 1974 ("ERISA").(4) When voting proxies for client accounts (including investment companies), BlackRock's primary objective is to make voting decisions solely in the best interests of clients and ERISA clients' plan beneficiaries and participants. In fulfilling its obligations to clients, BlackRock will seek to act in a manner that it believes is most likely to enhance the economic value of the underlying securities held in client accounts.(5) It is imperative that BlackRock considers the interests of its clients, and not the interests of BlackRock, when voting proxies and that real (or perceived) material conflicts that may arise between BlackRock's interest and those of BlackRock's clients are properly addressed and resolved.

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(1) The Policy does not apply to BlackRock Asset Management U.K. Limited and BlackRock Investment Managers International Limited, which are U.S. registered investment advisers based in the United Kingdom.

(2) In certain situations, a client may direct BlackRock to vote in accordance with the client's proxy voting policies. In these situations, BlackRock will seek to comply with such policies to the extent it would not be inconsistent with other BlackRock legal responsibilities.

(3) Letter from Harvey L. Pitt, Chairman, SEC, to John P.M. Higgins, President, Ram Trust Services (February 12, 2002) (Section 206 of the Investment Advisers Act imposes a fiduciary responsibility to vote proxies fairly and in the best interests of clients); SEC Release No. IA-2106 (February 3, 2003).

(4) DOL Interpretative Bulletin of Sections 402, 403 and 404 of ERISA at 29 C.F.R. 2509.94-2.

(5) Other considerations, such as social, labor, environmental or other policies, may be of interest to particular clients. While BlackRock is cognizant of the importance of such considerations, when voting proxies it will generally take such matters into account only to the extent that they have a direct bearing on the economic value of the underlying securities. To the extent that a BlackRock client desires to pursue a particular social, labor, environmental or other agenda through the proxy votes made for its securities held through BlackRock as investment adviser, BlackRock encourages the client to consider retaining direct proxy voting authority or to appoint independently a special proxy voting fiduciary other than BlackRock.

Advisers Act Rule 206(4)-6 was adopted by the SEC in 2003 and requires, among other things, that an investment adviser that exercises voting authority over clients' proxy voting adopt policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interests of clients, discloses to its clients information about those policies and procedures and also discloses to clients how they may obtain information on how the adviser has voted their proxies.

In light of such fiduciary duties, the requirements of Rule 206(4)-6, and given the complexity of the issues that may be raised in connection with proxy votes, BlackRock has adopted these policies and procedures. BlackRock's Equity Investment Policy Oversight Committee, or a sub-committee thereof (the "Committee"), addresses proxy voting issues on behalf of BlackRock and its clients.(6) The Committee is comprised of senior members of BlackRock's Portfolio Management Group and advised by BlackRock's Legal and Compliance Department.

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(6) Subject to the Proxy Voting Policies of Merrill Lynch Bank & Trust Company FSB, the Committee may also function jointly as the Proxy Voting Committee for Merrill Lynch Bank & Trust Company FSB trust accounts managed by personnel dually-employed by BlackRock.

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I. Scope of Committee Responsibilities

The Committee shall have the responsibility for determining how to address proxy votes made on behalf of all BlackRock clients, except for clients who have retained the right to vote their own proxies, either generally or on any specific matter. In so doing, the Committee shall seek to ensure that proxy votes are made in the best interests of clients, and that proxy votes are determined in a manner free from unwarranted or inappropriate influences. The Committee shall also oversee the overall administration of proxy voting for BlackRock accounts.(7)

The Committee shall establish BlackRock's proxy voting guidelines, with such advice, participation and research as the Committee deems appropriate from portfolio managers, proxy voting services or other knowledgeable interested parties. As it is anticipated that there will not necessarily be a "right" way to vote proxies on any given issue applicable to all facts and circumstances, the Committee shall also be responsible for determining how the proxy voting guidelines will be applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternative actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated guidelines.

The Committee may determine that the subject matter of certain proxy issues are not suitable for general voting guidelines and requires a case-by-case determination, in which case the Committee may elect not to adopt a specific voting guideline applicable to such issues. BlackRock believes that certain proxy voting issues - such as approval of mergers and other significant corporate transactions - require investment analysis akin to investment decisions, and are therefore not suitable for general guidelines. The Committee may elect to adopt a common BlackRock position on certain proxy votes that are akin to investment decisions, or determine to permit portfolio managers to make individual decisions on how best to maximize economic value for the accounts for which they are responsible (similar to normal buy/sell investment decisions made by such portfolio managers).(8)

While it is expected that BlackRock, as a fiduciary, will generally seek to vote proxies over which BlackRock exercises voting authority in a uniform manner for all BlackRock clients, the Committee, in conjunction with the portfolio manager of an account, may determine that the specific circumstances of such account require that such account's proxies be voted differently due to such account's investment objective or other factors that differentiate it from other accounts. In addition, on proxy votes that are akin to investment decisions, BlackRock believes portfolio managers may from time to time

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(7) The Committee may delegate day-to-day administrative responsibilities to other BlackRock personnel and/or outside service providers, as appropriate.

(8) The Committee will normally defer to portfolio managers on proxy votes that are akin to investment decisions except for proxy votes that involve a material conflict of interest, in which case it will determine, in its discretion, the appropriate voting process so as to address such conflict.

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legitimately reach differing but equally valid views, as fiduciaries for BlackRock's clients, on how best to maximize economic value in respect of a particular investment.

The Committee will also be responsible for ensuring the maintenance of records of each proxy vote, as required by Advisers Act Rule 204-2.(9) All records will be maintained in accordance with applicable law. Except as may be required by applicable legal requirements, or as otherwise set forth herein, the Committee's determinations and records shall be treated as proprietary, nonpublic and confidential.

The Committee shall be assisted by other BlackRock personnel, as may be appropriate. In particular, the Committee has delegated to the BlackRock Operations Department responsibility for monitoring corporate actions and ensuring that proxy votes are submitted in a timely fashion. The Operations Department shall ensure that proxy voting issues are promptly brought to the Committee's attention and that the Committee's proxy voting decisions are appropriately disseminated and implemented.

To assist BlackRock in voting proxies, the Committee may retain the services of a firm providing such services. BlackRock has currently retained Institutional Shareholder Services ("ISS") in that role. ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to BlackRock may include, but are not limited to, in-depth research, voting recommendations (which the Committee is not obligated to follow), vote execution, and recordkeeping.

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(9) The Committee may delegate the actual maintenance of such records to an outside service provider. Currently, the Committee has delegated the maintenance of such records to Institutional Shareholder Services.

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II. Special Circumstances

Routine Consents. BlackRock may be asked from time to time to consent to an amendment to, or grant a waiver under, a loan agreement, partnership agreement, indenture or other governing document of a specific financial instrument held by BlackRock clients. BlackRock will generally treat such requests for consents not as "proxies" subject to these Proxy Voting Policies and Procedures but as investment matters to be dealt with by the responsible BlackRock investment professionals would, provided that such consents (i) do not relate to the election of a board of directors or appointment of auditors of a public company, and (ii) either (A) would not otherwise materially affect the structure, management or control of a public company, or (B) relate to a company in which BlackRock clients hold only interests in bank loans or debt securities and are consistent with customary standards and practices for such instruments.

Securities on Loan. Registered investment companies that are advised by BlackRock as well as certain of our advisory clients may participate in securities lending programs. Under most securities lending arrangements, securities on loan may not be voted by the lender (unless the loan is recalled). BlackRock believes that each client has the right to determine whether participating in a securities lending program enhances returns, to contract with the securities lending agent of its choice and to structure a securities lending program, through its lending agent, that balances any tension between loaning and voting securities in a matter that satisfies such client. If client has decided to participate in a securities lending program, BlackRock will therefore defer to the client's determination and not attempt to seek recalls solely for the purpose of voting routine proxies as this could impact the returns received from securities lending and make the client a less desirable lender in a marketplace. Where a client retains a lending agent that is unaffiliated with BlackRock, BlackRock will generally not seek to vote proxies relating to securities on loan because BlackRock does not have a contractual right to recall such loaned securities for the purpose of voting proxies. Where BlackRock or an affiliate acts as the lending agent, BlackRock will also generally not seek to recall loaned securities for proxy voting purposes, unless the portfolio manager responsible for the account or the Committee determines that voting the proxy is in the client's best interest and requests that the security be recalled.

Voting Proxies for Non-US Companies. While the proxy voting process is well established in the United States, voting proxies of non-US companies frequently involves logistical issues which can affect BlackRock's ability to vote such proxies, as well as the desirability of voting such proxies. These issues include (but are not limited to): (i) untimely notice of shareholder meetings, (ii) restrictions on a foreigner's ability to exercise votes, (iii) requirements to vote proxies in person, (iv) "shareblocking" (requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting), (v) potential difficulties in translating the proxy, and (vi) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions.

As a consequence, BlackRock votes proxies of non-US companies only on a "best-efforts" basis. In addition, the Committee may determine that it is generally in the best interests of BlackRock clients not to vote proxies of companies in certain countries if the Committee determines that the costs (including but not limited to opportunity costs associated with shareblocking constraints) associated with exercising a vote generally are expected to outweigh the benefit the client will derive by voting on the issuer's proposal. If the Committee so determines in the case of a particular country, the Committee (upon advice from BlackRock portfolio managers) may override such determination with respect to a particular issuer's shareholder meeting if the Committee believes the benefits of seeking to exercise a vote at such meeting outweighs the costs, in which case BlackRock will seek to vote on a best-efforts basis.

Securities Sold After Record Date. With respect to votes in connection with securities held on a particular record date but sold from a client account prior to the holding of the related meeting, BlackRock may take no action on proposals to be voted on in such meeting.

Conflicts of Interest. From time to time, BlackRock may be required to vote proxies in respect of an issuer that is an affiliate of BlackRock (a "BlackRock Affiliate"), or a money management or other client of BlackRock (a "BlackRock Client").(10) In such event, provided that the Committee is aware of the real or potential conflict, the following procedures apply:

- The Committee intends to adhere to the voting guidelines set forth herein for all proxy issues including matters involving BlackRock Affiliates and BlackRock Clients. The Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of BlackRock's clients; and

- if the Committee determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Committee shall determine how to vote the proxy after consulting with the BlackRock Legal and Compliance Department and concluding that the vote cast is in the client's best interest notwithstanding the conflict.

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(10) Such issuers may include investment companies for which BlackRock provides investment advisory, administrative and/or other services.

III. Voting Guidelines

The Committee has determined that it is appropriate and in the best interests of BlackRock's clients to adopt the following voting guidelines, which represent the Committee's usual voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. With respect to any particular proxy issue, however, the Committee may elect to vote differently than a voting guideline if the Committee determines that doing so is, in the Committee's judgment, in the best interest of its clients. The guidelines may be reviewed at any time upon the request of any Committee member and may be amended or deleted upon the vote of a majority of voting Committee members present at a Committee meeting for which there is a quorum.

A. Boards of Directors

These proposals concern those issues submitted to shareholders relating to the composition of the Board of Directors of companies other than investment companies. As a general matter, the Committee believes that a company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Committee therefore believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a Director nominee's history of representing shareholder interests as a director of other companies, or other factors to the extent the Committee deems relevant.

The Committee's general policy is to vote:

#	VOTE and DESCRIPTION
A.1	FOR nominees for director of United States companies in uncontested elections, except for nominees who o have missed at least two meetings and, as a result, attended less than 75% of meetings of the Board of Directors and its committees the previous year, unless the nominee missed the meeting(s) due to illness or company business o voted to implement or renew a "dead-hand" poison pill o ignored a shareholder proposal that was approved by either a majority of the shares outstanding in any year or by the majority of votes cast for two consecutive years o failed to act on takeover offers where the majority of the shareholders have tendered their shares o are corporate insiders who serve on the audit, compensation or nominating committees or on a full Board that does not have such committees composed exclusively of independent directors o on a case-by-case basis, have served as directors of other companies with allegedly poor corporate governance o sit on more than six boards of public companies
A.2	FOR nominees for directors of non-U.S. companies in uncontested elections, except for nominees from whom the Committee determines to withhold votes due to the nominees' poor records of representing shareholder interests, on a case-by-case basis
A.3	FOR proposals to declassify Boards of Directors, except where there exists a legitimate purpose for classifying boards
A.4	AGAINST proposals to classify Boards of Directors, except where there exists a legitimate purpose for classifying boards

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A.5	AGAINST proposals supporting cumulative voting
A.6	FOR proposals eliminating cumulative voting
A.7	FOR proposals supporting confidential voting
A.8	FOR proposals seeking election of supervisory board members
A.9	AGAINST shareholder proposals seeking additional representation of women and/or minorities generally (i.e., not specific individuals) to a Board of Directors

A.10	AGAINST shareholder proposals for term limits for directors
A.11	FOR shareholder proposals to establish a mandatory retirement age for directors who attain the age of 72 or older
A.12	AGAINST shareholder proposals requiring directors to own a minimum amount of company stock
A.13	FOR proposals requiring a majority of independent directors on a Board of Directors
A.14	FOR proposals to allow a Board of Directors to delegate powers to a committee or committees
A.15	FOR proposals to require audit, compensation and/or nominating committees of a Board of Directors to consist exclusively of independent directors
A.16	AGAINST shareholder proposals seeking to prohibit a single person from occupying the roles of chairman and chief executive officer
A.17	FOR proposals to elect account inspectors
A.18	FOR proposals to fix the membership of a Board of Directors at a specified size
A.19	FOR proposals permitting shareholder ability to nominate directors directly
A.20	AGAINST proposals to eliminate shareholder ability to nominate directors directly
A.21	FOR proposals permitting shareholder ability to remove directors directly
A.22	AGAINST proposals to eliminate shareholder ability to remove directors directly

B. Auditors

These proposals concern those issues submitted to shareholders related to the selection of auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.

The Committee's general policy is to vote:

B.1 FOR approval of independent auditors, except for

- o auditors that have a financial interest in, or material association with, the company they are auditing, and are therefore believed by the Committee not to be independent
- o auditors who have rendered an opinion to any company which in the Committee's opinion is either not consistent with best accounting

practices or not indicative of the company's financial situation

- o on a case-by-case basis, auditors who in the Committee's opinion provide a significant amount of non-audit services to the company

B.2	FOR proposals seeking authorization to fix the remuneration of auditors
B.3	FOR approving internal statutory auditors
B.4	FOR proposals for audit firm rotation, except for proposals that would require rotation after a period of less than 5 years

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C. Compensation and Benefits

These proposals concern those issues submitted to shareholders related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of a company's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by a corporation's board of directors, rather than shareholders. Proposals to "micro-manage" a company's compensation practices or to set arbitrary restrictions on compensation or benefits will therefore generally not be supported.

The Committee's general policy is to vote:

C.1	IN ACCORDANCE WITH THE RECOMMENDATION OF ISS on compensation plans if the ISS recommendation is based solely on whether or not the company's plan satisfies the allowable cap as calculated by ISS. If the recommendation of ISS is based on factors other than whether the plan satisfies the allowable cap the Committee will analyze the particular proposed plan. This policy applies to amendments of plans as well as to initial approvals.
C.2	FOR proposals to eliminate retirement benefits for outside directors
C.3	AGAINST proposals to establish retirement benefits for outside directors
C.4	FOR proposals approving the remuneration of directors or of supervisory board members
C.5	AGAINST proposals to reprice stock options
C.6	FOR proposals to approve employee stock purchase plans that apply to all employees. This policy applies to proposals to amend ESPPs if the plan as amended applies to all employees.
C.7	FOR proposals to pay retirement bonuses to directors of Japanese companies unless the directors have served less than three years
C.8	AGAINST proposals seeking to pay outside directors only in stock
C.9	FOR proposals seeking further disclosure of executive pay or requiring companies to report on their supplemental executive retirement benefits
C.10	AGAINST proposals to ban all future stock or stock option grants to executives

C.11	AGAINST option plans or grants that apply to directors or employees of "related companies" without adequate disclosure of the corporate relationship and justification of the option policy
C.12	FOR proposals to exclude pension plan income in the calculation of earnings used in determining executive bonuses/compensation

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D. Capital Structure

These proposals relate to various requests, principally from management, for approval of amendments that would alter the capital structure of a company, such as an increase in authorized shares. As a general matter, the Committee will support requests that it believes enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.

The Committee's general policy is to vote:

D.1	AGAINST proposals seeking authorization to issue shares without preemptive rights except for issuances up to 10% of a non-US company's total outstanding capital
D.2	FOR management proposals seeking preemptive rights or seeking authorization to issue shares with preemptive rights
D.3	FOR management proposals approving share repurchase programs
D.4	FOR management proposals to split a company's stock
D.5	FOR management proposals to denominate or authorize denomination of securities or other obligations or assets in Euros
D.6	FOR proposals requiring a company to expense stock options (unless the company has already publicly committed to do so by a certain date).

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E. Corporate Charter and By-Laws

These proposals relate to various requests for approval of amendments to a corporation's charter or by-laws, principally for the purpose of adopting or redeeming "poison pills". As a general matter, the Committee opposes poison pill provisions.

The Committee's general policy is to vote:

E.1	AGAINST proposals seeking to adopt a poison pill
E.2	FOR proposals seeking to redeem a poison pill
E.3	FOR proposals seeking to have poison pills submitted to shareholders for ratification

E.4	FOR management proposals to change the company's name

F. Corporate Meetings

These are routine proposals relating to various requests regarding the formalities of corporate meetings.

The Committee's general policy is to vote:

F.1	AGAINST proposals that seek authority to act on "any other business that may arise"
F.2	FOR proposals designating two shareholders to keep minutes of the meeting
F.3	FOR proposals concerning accepting or approving financial statements and statutory reports
F.4	FOR proposals approving the discharge of management and the supervisory board
F.5	FOR proposals approving the allocation of income and the dividend
F.6	FOR proposals seeking authorization to file required documents/other formalities
F.7	FOR proposals to authorize the corporate board to ratify and execute approved resolutions
F.8	FOR proposals appointing inspectors of elections
F.9	FOR proposals electing a chair of the meeting
F.10	FOR proposals to permit "virtual" shareholder meetings over the Internet
F.11	AGAINST proposals to require rotating sites for shareholder meetings

G. Investment Companies

These proposals relate to proxy issues that are associated solely with holdings of shares of investment companies, including, but not limited to, investment companies for which BlackRock provides investment advisory, administrative and/or other services. As with other types of companies, the Committee believes that a fund's Board of Directors (rather than its shareholders) is best-positioned to set fund policy and oversee management. However, the Committee opposes granting Boards of Directors authority over certain matters, such as changes to a fund's investment objective, that the Investment Company Act of 1940 envisions will be approved directly by shareholders.

The Committee's general policy is to vote:

G.1	FOR nominees for director of mutual funds in uncontested elections, except for nominees who o have missed at least two meetings and, as a result, attended less than 75% of meetings of the Board of Directors and its committees the previous year, unless the nominee missed the meeting due to illness or fund business o ignore a shareholder proposal that was approved by either a majority of the shares outstanding in any year or by the majority of votes cast for two consecutive years o are interested directors who serve on the audit or nominating committees or on a full Board that does not have such committees composed exclusively of independent directors o on a case-by-case basis, have served as directors of companies with allegedly poor corporate governance
G.2	FOR the establishment of new series or classes of shares
G.3	AGAINST proposals to change a fund's investment objective to nonfundamental
G.4	FOR proposals to establish a master-feeder structure or authorizing the Board to approve a master-feeder structure without a further shareholder vote
G.5	AGAINST a shareholder proposal for the establishment of a director ownership requirement
G.6	FOR classified boards of closed-end investment companies

H. Environmental and Social Issues

These are shareholder proposals to limit corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The Committee generally believes that annual shareholder meetings are inappropriate forums for the discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

The Committee's general policy is to vote:

H.1	AGAINST proposals seeking to have companies adopt international codes of conduct
H.2	AGAINST proposals seeking to have companies provide non-required reports on: o environmental liabilities; o bank lending policies; o corporate political contributions or activities; o alcohol advertising and efforts to discourage drinking by minors; o costs and risk of doing business in any individual country;

- involvement in nuclear defense systems

H.3	AGAINST proposals requesting reports on Maquiladora operations or on CERES principles
H.4	AGAINST proposals seeking implementation of the CERES principles

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Notice to Clients

BlackRock will make records of any proxy vote it has made on behalf of a client available to such client upon request.(11) BlackRock will use its best efforts to treat proxy votes of clients as confidential, except as it may decide to best serve its clients' interests or as may be necessary to effect such votes or as may be required by law.

BlackRock encourage clients with an interest in particular proxy voting issues to make their views known to BlackRock, provided that, in the absence of specific written direction from a client on how to vote that client's proxies, BlackRock reserves the right to vote any proxy in a manner it deems in the best interests of its clients, as it determines in its sole discretion.

These policies are as of the date indicated on the cover hereof. The Committee may subsequently amend these policies at any time, without notice.

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(11) Such request may be made to the client's portfolio or relationship manager or addressed in writing to Secretary, BlackRock Equity Investment Policy Oversight Committee, Legal and Compliance Department, BlackRock Inc., 40 East 52nd Street, New York, New York 10022.

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Item 8 - Portfolio Managers of Closed-End Management Investment Companies - as of October 31, 2007.

(a)(1) BlackRock Preferred Income Strategies, Inc. is managed by a team of investment professionals comprised of Scott Amero, Managing Director at BlackRock, John D. Burger, CFA, Managing Director at BlackRock and Daniel Chen, CFA, Director at BlackRock. Each is a member of BlackRock's fixed income portfolio management group. Mr. Amero is responsible for setting the Fund's overall investment strategy and overseeing the management of the Fund. Messrs. Burger and Chen are the Fund's co-portfolio managers and are responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Messrs. Amero and Chen have been members of the Fund's management team since 2006. Mr. Burger has been a portfolio manager of the Fund since 2003.

Scott Amero is co-head of BlackRock's fixed income portfolio management group. He is a member of the Management Committee and co-chair of the Fixed Income Investment Strategy Group. Mr. Amero is a senior strategist and portfolio manager with responsibility for overseeing all fixed income sector strategy and the overall management of client portfolios. He is also the head of global fixed income research. He is also a director of Anthracite Capital, Inc., BlackRock's publicly-traded real estate investment trust. Mr. Amero has been with BlackRock since 1990.

John D. Burger joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director of Merrill Lynch Investment Managers ("MLIM") from 2002 to 2006 and a Director of MLIM from 1996 to 2004. From 1992 to 1996, he was a portfolio manager of MLIM.

Daniel Chen has been a portfolio manager at BlackRock since 2002 and is a member of BlackRock's fixed income portfolio management group. He has been responsible for managing total return client portfolios, with a sector emphasis on corporate bonds. Mr. Chen has been with BlackRock since 1999.

(a)(2) As of October 31, 2007:

	(ii) Number of Other Accounts Managed and Assets by Account Type			(iii) Num Assets
(i) Name of Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies
Scott Amero	48	38	258	0
	$39,618,068,696	$6,954,333,971	$95,887,026,723	$0
John D. Burger, CFA	3	1	54	0
	$2,613,489,195	$82,352,007	$12,920,752,902	$0
Daniel Chen, CFA	4	1	2	0
	$1,618,528,802	$82,352,007	$276,119,420	$0

(iv) Potential Material Conflicts of Interest

BlackRock, Inc. and its affiliates (collectively, herein "BlackRock") has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and any officer, director, stockholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates, or any officer, director, stockholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for the Fund. In this connection, it should be noted that certain portfolio managers currently manage certain accounts that are subject to performance fees. In addition, certain portfolio managers assist in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) As of October 31, 2007:

Portfolio Manager Compensation

The portfolio manager compensation program of BlackRock is critical to BlackRock's ability to attract and retain the most talented asset management professionals. This program ensures that compensation is aligned with maximizing investment returns and it provides a competitive pay opportunity for competitive performance.

Compensation Program

The elements of total compensation for BlackRock portfolio managers are: fixed base salary, annual performance-based cash and stock compensation (cash and stock bonus) and other benefits. BlackRock has balanced these components of pay to provide portfolio managers with a powerful incentive to achieve consistently superior investment performance. By design, portfolio manager compensation levels fluctuate -- both up and down -- with the relative investment performance of the portfolios that they manage.

Base Salary

Under the BlackRock approach, like that of many asset management firms, fixed base salaries represent a relatively small portion of a portfolio manager's total compensation. This approach serves to enhance the motivational value of the performance-based (and therefore variable) compensation elements of the compensation program.

Performance-Based Compensation

BlackRock believes that the best interests of investors are served by recruiting and retaining exceptional asset management talent and managing their compensation within a consistent and disciplined framework that emphasizes pay for performance in the context of an intensely competitive market for talent. To that end, the portfolio manager incentive compensation is based on a formulaic compensation program.

BlackRock's formulaic portfolio manager compensation program includes: pre-tax investment performance relative to the appropriate competitors or benchmarks over 1-, 3- and 5-year performance periods and a measure of operational efficiency. If a portfolio manager's tenure is less than 5 years, performance periods will reflect time in position. Portfolio managers are compensated based on products

they manage. For these purposes, the performance of the Fund is compared to the Lipper Closed-end Income and Preferred Stock Funds classification. A smaller discretionary element of portfolio manager compensation may include consideration of: financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, capital allocation, compliance and risk control, leadership, workforce diversity, supervision, technology and innovation. All factors are considered collectively by BlackRock management.

Cash Bonus

Performance-based compensation is distributed to portfolio managers in a combination of cash and stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for the portfolio managers.

Stock Bonus

A portion of the dollar value of the total annual performance-based bonus is paid in restricted shares of stock of BlackRock, Inc. (the "Company"). Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year "at risk" based on the Company's ability to sustain and improve its performance over future periods. The ultimate value of stock bonuses is dependent on future Company stock price performance. As such, the stock bonus aligns each portfolio manager's financial interests with those of the Company's shareholders and encourages a balance between short-term goals and long-term strategic objectives. Management strongly believes that providing a significant portion of competitive performance-based compensation in stock is in the best interests of investors and shareholders. This approach ensures that portfolio managers participate as shareholders in both the "downside risk" and "upside opportunity" of the Company's performance. Portfolio managers, therefore, have a direct incentive to protect the Company's reputation for integrity.

Other Benefits

Portfolio managers are also eligible to participate in broad-based plans offered generally to BlackRock employees, including broad-based retirement, 401(k), health, and other employee benefit plans. For example, BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP) and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 6% of eligible pay contributed to the plan capped at $4,000 per year, and a company retirement contribution equal to 3% of eligible compensation, plus an additional contribution of 2% for any year in which BlackRock has positive net operating income. The RSP offers a range of investment options, including registered investment companies managed by the firm. Company contributions follow the investment direction set by participants for their own contributions or absent, employee investment direction, are invested into a stable value fund. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares or a dollar value of $25,000. Each portfolio manager is eligible to participate in these plans.

(a)(4) Beneficial Ownership of Securities. As of October 31, 2007, Mr. Burger did not beneficially own any stock issued by the Fund. As of October 31, 2007, Mr. Amero beneficially owned stock issued by the Fund in the range of over $1,000,000 and Mr. Chen beneficially owned stock issued by the Fund in the range of $1 to $10,000.

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable due to no such purchases during the period covered by this report.

Item 10 - Submission of Matters to a Vote of Security Holders - The registrant's Nominating and Governance Committee will consider nominees to the Board recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 - Controls and Procedures

11(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended.

11(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 - Exhibits attached hereto

12(a)(1) - Code of Ethics - See Item 2

12(a)(2) - Certifications - Attached hereto

12(a)(3) - Not Applicable

12(b) - 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.

BlackRock Preferred Income Strategies Fund, Inc.

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Executive Officer (principal executive officer) of
BlackRock Preferred Income Strategies Fund, Inc.

Date: December 19, 2007

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

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Executive Officer (principal executive officer) of
BlackRock Preferred Income Strategies Fund, Inc.

Date: December 19, 2007

By: /s/ Neal J. Andrews

Neal J. Andrews,
Chief Financial Officer (principal financial officer) of
BlackRock Preferred Income Strategies Fund, Inc.

Date: December 19, 2007