FORM N-CSR

Certified annual shareholder report of registered management investment companies filed on Form N-CSR

Filing Date: **2005-05-02** | Period of Report: **2005-02-28**
SEC Accession No. 0000900092-05-000139

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FILER

FLOATING RATE INCOME STRATEGIES FUND II INC	Mailing Address	Business Address
CIK:**1269143**| IRS No.: **000000000**	*800 SCUDDERS MILL ROAD*	*800 SCUDDERS MILL ROAD*
Type: **N-CSR** | Act: **40** | File No.: **811-21464** | Film No.: **05788399**	*PLAINSBORO NJ 08536*	*PLAINSBORO NJ 08536*
		6092822800

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 811-21464

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

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

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

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

Date of fiscal year end: 02/28/05

Date of reporting period: 03/01/04 - 02/28/05

Item 1 - Report to Stockholders

Floating Rate
Income Strategies
Fund II, Inc.

Annual Report
February 28, 2005

(BULL LOGO) Merrill Lynch Investment Managers
www.mlim.ml.com

Mercury Advisors
A Division of Merrill Lynch Investment Managers
www.mercury.ml.com

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

This report, including the financial information herein, is transmitted for use only to the shareholders of Floating Rate Income Strategies Fund II, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report. Past performance results shown in this report should not be considered a representation of future performance. The Fund leverages its Common Stock to provide Common Stock shareholders with a potentially higher rate 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. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's Web site at http://www.sec.gov. 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 (1) at www.mutualfunds.ml.com and (2) on the Securities and Exchange Commission's Web site at http://www.sec.gov.

Floating Rate Income Strategies Fund II, Inc.
Box 9011
Princeton, NJ
08543-9011

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Floating Rate Income Strategies Fund II, Inc.

The Benefits and Risks of Leveraging

Floating Rate Income Strategies Fund II, Inc. utilizes leverage through borrowings or issuance of short-term debt securities or shares of Preferred Stock. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by the Fund on its longer-term portfolio investments. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund's 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 interest rates on borrowings (or in the dividend rates on any Preferred Stock, if the Fund were to issue the Preferred Stock) may reduce the Common Stock's yield and negatively impact its market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the 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, the 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.

Proxy Results

During the six-month period ended February 28, 2005, Floating Rate Income Strategies Fund II, Inc.'s Common Stock shareholders voted on the following proposal. The proposal was approved at a shareholders' meeting on January 27, 2005. A description of the proposal and number of shares voted are as follows:

<TABLE>
<CAPTION>

<S>	Shares Voted For <C>	Shares Withheld From Voting <C>
1. To elect the Fund's Board of Directors: Robert C. Doll, Jr., Ronald Forbes, Cynthia A. Montgomery, Jean Margo Reid, Roscoe S. Suddarth, Richard R. West and Edward D. Zinbarg	10,248,439	135,862

</TABLE>

A Letter From the President

Dear Shareholder

Financial markets broadly posted positive returns over the most recent reporting period, with international equities providing some of the most impressive results.

Total Returns as of February 28, 2005	6-month	12-month
U.S. equities (Standard & Poor's 500 Index)	+ 9.99%	+ 6.98%
International equities (MSCI Europe Australasia Far East Index)	+21.18	+18.68
Fixed income (Lehman Brothers Aggregate Bond Index)	+ 1.26	+ 2.43
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 2.40	+ 2.96
High yield bonds (Credit Suisse First Boston High Yield Index)	+ 7.53	+11.21

The U.S. economy has continued to show resilience in the face of the Federal Reserve Board's (the Fed) continued interest rate hikes and, more recently, higher oil prices. The Fed's measured tightening program recently brought the federal funds rate to 2.75% en route to a more "neutral" short-term interest rate target (relative to inflation). Since the U.S. presidential election, progress has been monitored on many fronts in Washington, although concerns remain about the structural problems of debt and deficits, as reflected by a significant decline in the U.S. dollar.

U.S. equities ended 2004 in a strong rally, but remained in a fairly narrow trading range for the first two months of 2005. Divergences were notable among sectors, with energy emerging as a clear leader. On the positive side, corporations have accelerated their hiring plans, capital spending remains reasonably robust and merger-and-acquisition activity has increased. Offsetting the positives are slowing corporate earnings growth, renewed energy price concerns and the potential for an economic slowdown. International equities, particularly in Asia, have benefited from higher economic growth rates (China recorded growth of 9.3% in 2004), stronger currencies and relatively reasonable valuations.

The major action in the bond market has been a flattening of the yield curve. As short-term interest rates continued to rise, yields on the long end of the curve remained relatively stable - even declining at certain points since the Fed's monetary tightening program began in June 2004. This phenomenon has been largely attributed to continued foreign interest in U.S. bonds, which has served to absorb much of the excess supply. By period-end, many believed long-term yields were long overdue for a rise.

Looking ahead, the environment is likely to be a challenging one for investors, with diversification and selectivity becoming increasingly important themes. With this in mind, we encourage you to meet with your financial advisor to review your goals and asset allocation and to rebalance your portfolio, as necessary, to ensure it remains aligned with your objectives and risk tolerance. As always, we thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

(Robert C. Doll, Jr.)
Robert C. Doll, Jr.
President and Director

A Discussion With Your Fund's Portfolio Managers

The Fund's performance during the period benefited from the portfolio's attractive weighted average interest rate spread (that is, the higher average yield of its loan securities) compared to the London InterBank Offered Rate (LIBOR).

Describe market conditions during the period since the Fund's inception.

Throughout the period, the leverage loan market continued to benefit from the significant demand that it has experienced since the beginning of 2004. This created an excess cash imbalance that was left virtually intact through the end of February 2005, as new inflows have continued to match the value of new issues. Demand in the marketplace has led to higher secondary-market loan prices and new issues with generally lower interest spreads over LIBOR, and average new-issue allocation amounts per investor that are lower than their historical levels.

A significant rise in LIBOR more than offset declines in the interest rate spreads on BB-rated and B-rated new issues during the period. Another positive development in the leveraged loan sector was the improving default rate. As of the end of February 2005, the lagging 12-month institutional loan default rate stood at 1.36% by number of loans and 1.37% of principal amount, according to Standard & Poor's Leveraged Commentary & Data. Although this is a 12-month high due to the recent default of Tower Automotive Inc., the default rates are still well below the recent historical averages (since 1998) of 3.87% by number of loans and 4.18% by principal amount.

The fixed rate high yield bond market, in which the Fund can invest up to 20% of its assets, has been affected by some of the same fundamentals driving the leveraged loan market. The excess cash in the market has been the primary factor in the rally in high yield securities. Although concern surrounding higher interest rates has hung over the market for some time, 10-year U.S. Treasury note yields did not begin to rise until early 2005.

How has the Fund performed since its inception in light of the existing market conditions?

Since inception (July 30, 2004) through February 28, 2005, the Common Stock of the Fund had net annualized yields of 4.86% and 4.94%, based on a period-end per share net asset value of $19.74 and a per share market price of $19.44, respectively, and $.563 per share ordinary income dividends. For the same period, the total investment return on the Fund's Common Stock was +5.97%, based on a change in per share net asset value from $19.10 to $19.74, and assuming reinvestment of all distributions. For the same period, the Fund's unmanaged benchmark, a composite comprised 80% of the Credit Suisse First Boston (CSFB) Leveraged Loan Index and 20% of the CSFB High Yield Index, posted a total return of +4.38%.

For the six-month period ended February 28, 2005, the total investment return on the Fund's Common Stock was +5.58%, based on a change in per share net asset value from $19.17 to $19.74, and assuming reinvestment of all distributions. For the same period, the Fund's composite benchmark had a total return of +3.91%.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What factors contributed to the Fund's performance?

The timely ramp-up phase (the process of investing the Fund's assets beginning at its inception) of the Fund and the portfolio's attractive weighted average rate spread over LIBOR contributed to the strong performance relative to its composite benchmark during the period.

A greater portion of the appreciation in the Fund's net asset value was attributable to an increase in the market value of the underlying securities as opposed to the earning of an excess yield. The advance in the share price of the Fund, on the other hand, was attributable to both the rising net asset value and an increase in the stated dividend yield (that is, off the original $20 per share price) from 5.25% to 5.75%. Since the Fund's inception, all of our securities have paid interest when due. Furthermore, a combination of all of the previously cited positive factors enabled us to employ the available leverage in an effective manner, thereby increasing the Fund's total return. (For a complete explanation of the benefits and risks of leveraging, please refer to page 2 of this report to shareholders.)

What changes were made to the portfolio during the period?

Following the closing of the Fund's initial public offering period on July 30, 2004, we initiated and maintained the ramp-up at a pace that was consistent with our original projections. The ramp-up essentially concluded on schedule at the end of November 2004.

Regarding sector allocation, we are focusing on those industries that we believe have strong asset values and stable cash-flow characteristics. At the end of the period, the Fund's largest absolute weightings were in utilities, cable, paper, chemicals and housing. These sectors are among those that we have traditionally favored and from which the Fund's performance has benefited from an overweighting.

How would you characterize the Fund's position at the close of the period?

At the end of the period, the portfolio was comprised of 17.9% in fixed rate instruments and 82.1% in floating rate instruments. The portfolio had 101 issuers spread among 16 industries. The Fund was underweight versus its composite benchmark in securities rated BB or higher, and was overweight in B-rated securities, credits rated CCC or below, and issues that are not rated.

Looking forward, we anticipate that many of the same factors that had an impact on leveraged loan securities in the past six months will continue to influence the fundamentals in the market. We believe that the trend of small allocation amounts for issuances of new loans, lower interest rate spreads and above-par secondary market prices will continue, especially given the benign credit environment we expect over the next six months. A further benefit to the market would be an increase in LIBOR. Therefore, we expect to continue purchasing assets predominately in the primary market, while selectively participating in the secondary market.

Joseph P. Matteo
Vice President and Co-Portfolio Manager

Jaimin Patel
Vice President and Co-Portfolio Manager

March 21, 2005

Portfolio Information

As of February 28, 2005

Percent of

Ten Largest Holdings	Net Assets
KGEN Tranche A Term Loan, due 8/05/2011	3.9%
PanAmSat Corp. Tranche B Term Loan, due 8/20/2011	3.9
Ainsworth Lumber Co. Ltd., 6.30% due 10/01/2010	3.7
Charter Communications Operating LLC Tranche B Term Loan, due 4/07/2011	2.9
Century Cable Holdings LLC, Discrectionary Term Loan, due 12/31/2009	2.9
Aquila, Inc. Term Loan, due 9/14/2009	2.5
Graham Packaging Company LP Term Loan B, due 10/07/2011	2.5
Tekni-Plex, Inc. Term Loan B, due 6/21/2008	2.4
Metaldyne Corp. Term Loan D, due 12/31/2009	2.4
Tembec Industries Inc., 8.625% due 6/30/2009	2.4

Five Largest Industries++	Percent of Net Assets
Utilities	22.4%
Cable--U.S.	20.3
Paper	10.6
Housing	7.9
Chemicals	7.4

++ For Fund compliance purposes, "Industries" means 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.

Quality Ratings by S&P/Moody's	Percent of Total Investments
BB/Ba	27.2%
B/B	56.9
CCC/Caa	8.8
NR (Not Rated)	7.0
Other*	0.1

* Includes portfolio holdings in common stocks and short-term investments.

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Aerospace & Defense--5.8%	$ 1,680,729	KF Industries, Inc. Term Loan, due 11/18/2013	$ 1,711,018
	4,000,000	MRO Acquisitions Corp. Second Lien Term Loan, due 8/15/2011	4,045,000
	2,076,923	Standard Aero Holdings Term Loan, due 8/24/2012	2,110,025
	1,989,796	Titan Corp. Term Loan B, due 6/30/2009	2,018,089
		Vought Aircraft Industries, Inc.:	
	1,680,000	Term Loan, due 12/22/2011	1,706,250
	320,000	Tranche B L/C Deposit, due 12/22/2010	325,200

			11,915,582
Automotive--3.4%	2,000,000	Goodyear Tire & Rubber Term Loan, due 9/30/2007	2,016,876
	4,987,452	Metaldyne Corp. Term Loan D, due 12/31/2009	5,036,080

			7,052,956
Broadcasting--1.0%	2,000,000	Entravision Communications Corp. Term Loan B, due 2/24/2012	2,030,834

Cable--International--1.0%	2,000,000	NTL Investment Holdings Ltd. B2 Sub-Tranche, due 4/14/2012	2,037,500
Cable--U.S.--18.7%	1,990,000	Bragg Communications, Inc. Term Loan B, due 9/01/2011	2,024,825
		Century Cable Holdings LLC, Term Loan:	
	6,000,000	Discretionary, due 12/31/2009	5,977,500
	3,000,000	due 6/30/2009	2,990,088
	5,974,987	Charter Communications Operating LLC Tranche B Term Loan, due 4/07/2011	6,002,873
	4,680,851	Insight Midwest Holdings, LLC Term Loan A, due 6/30/2009	4,694,018
	857,143	Intelsat Ltd. Term Loan, due 7/28/2011	871,205
	2,940,000	Mediacom Broadband Group Tranche A Term Loan, due 3/31/2010	2,927,137
	3,200,000	Mediacom Communications, LLC Tranche B Term Loan, due 3/31/2013	3,243,715
	7,939,759	PanAmSat Corp. Tranche B Term Loan, due 8/20/2011	8,074,505
	2,000,000	Rainbow National Services LLC Term Loan B, due 3/31/2012	2,028,750

			38,834,616
Chemicals--5.6%	1,995,955	Innophos, Inc. Tranche B Term Loan, due 8/13/2010	2,030,884
	2,543,717	Kraton Polymers Term Loan, due 12/16/2010	2,587,172
		Rockwood Specialties Group, Inc. Tranche D Term Loan:	
	1,750,000	due 9/15/2012	1,780,000
	3,000,000	due 12/10/2012	3,051,429
	2,000,000	Wellman, Inc. Second Lien Term Loan, due 2/10/2010	2,107,500

			11,556,985
Consumer--Non-Durables--1.2%	1,000,000	Camelbak Products, LLC First Lien Term Loan, due 8/04/2011	1,011,875
	1,500,000	Culligan International Co. Term Loan, due 9/30/2011	1,525,624

			2,537,499
Diversified Media--4.8%	4,000,000	Advertising Directory Solutions Holdings Inc. Term Loan, due 5/09/2012	4,121,668
	4,000,000	MC Communications, LLC Term Loan, due 1/28/2011	4,030,000
	1,835,405	RH Donnelley Tranche D Term Loan, due 8/30/2011	1,865,335

			10,017,003
Energy--2.4%	5,000,000	Ocean Rig Norway AS, Term Loan, due 6/01/2008	5,000,000
Food/Tobacco--0.7%	1,500,000	Landry's Restaurants, Inc. Term Loan, due 12/28/2010	1,523,437
Gaming--3.5%	1,000,000	Ameristar Casinos Add on Term Loan, due 12/20/2006	1,016,250
	2,000,000	Herbst Gaming, Inc. Term Loan, due 10/08/2010	2,031,876
	2,000,000	Marina District Finance Co., Inc. Term Loan, due 10/20/2011	2,022,500
	980,870	Mississippi Band of Choctaw Indians Term Loan, due 11/04/2011	996,809
	1,100,000	Pinnacle Entertainment, Inc. Term Loan, due 8/27/2010	1,116,500

			7,183,935

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued)
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Health Care--2.4%	$ 2,992,500	Ardent Health Services, Inc. Term Loan, due 8/12/2011	$ 3,034,584
	1,995,000	Community Health Systems, Inc. Term Loan, due 8/19/2011	2,020,093

			5,054,677
Housing--6.8%	2,750,000	Associated Materials, Inc. Term Loan, due 8/29/2010	2,794,687
	2,300,000	General Growth Properties, Inc. Tranche B Term Loan, due 11/12/2008	2,338,550
		Headwaters, Inc.:	
	1,000,000	Second Lien Term Loan, due 9/01/2012	1,039,167
	4,148,438	Term Loan B, due 4/30/2011	4,208,934
	2,327,083	Lake at Las Vegas Joint Venture First Lien Term Loan, due 11/01/2009	2,362,960
	1,492,500	Nortek, Inc. Term Loan, due 8/27/2011	1,520,174

			14,264,472
Information Technology--1.2%	2,400,000	Viasystems, Inc. Replacement Tranche B Term Loan, due 9/30/2009	2,418,000
Leisure--2.1%	4,406,932	True Temper Sports, Inc. Term Loan B, due 3/15/2011	4,390,406

Manufacturing--3.4%	3,889,010	Amsted Industries, Inc. Term Loan B-1, due 10/15/2010	3,965,576
	2,985,003	Blount, Inc. US Term Loan B, due 8/09/2010	3,035,996

			7,001,572
Packaging--5.1%	427,217	Berry Plastics Corp. Term Loan, due 7/22/2010	433,893
	5,000,000	Graham Packaging Company LP Term Loan B, due 10/07/2011	5,097,500
	4,973,958	Tekni-Plex, Inc. Term Loan B, due 6/21/2008	5,042,350

			10,573,743
Paper--1.4%	844,344	Boise Cascade Holdings, LLC Tranche B Term Loan, due 10/28/2011	860,862
		Smurfit Stone Container Corp.:	
	1,529,412	Tranche B, due 11/01/2011	1,555,539
	470,588	Tranche C, due 11/01/2011	478,706

			2,895,107
Retail--0.7%	1,373,812	General Nutrition Centers, Inc. Tranche B Term Loan, due 12/05/2009	1,394,420
Services--3.4%	350,282	URS Corp. Term Loan B, due 8/22/2008	352,362
		United Rentals, Inc.:	
	3,002,496	Term Loan, due 2/14/2011	3,056,916
	1,987,431	Term Loan, Initial, due 2/14/2011	2,023,453
	604,524	Tranche B, Credit-Linked Deposit, due 2/14/2011	614,159
	997,500	Weight Watchers International, Inc. Designated Term Loan, due 3/31/2010	1,009,138

			7,056,028
Telecommunications-- 4.1%	2,500,000	Alaska Communications Systems Holdings, Inc. Term Loan, due 2/01/2012	2,526,952
		WilTel Communications, LLC, Term Loan:	
	4,986,842	First Lien, due 6/30/2011	4,940,090
	1,000,000	Second Lien, due 12/31/2010	950,625

			8,417,667
Utilities--17.0%	5,000,000	Aquila, Inc. Term Loan, due 9/14/2009 (a)	5,237,500
	2,000,000	Calpine Generating Co. LLC First Priority Term Loan, due 4/01/2009	2,054,166
	4,500,000	Calpine Generating Company LLC Term Loan, due 3/12/2010	4,411,125
	3,000,000	Calpine Saltend Term Loan, due 7/25/2005	3,105,000
		El Paso Corp.:	
	750,000	Deposit Account, due 11/23/2009	762,949
	1,245,000	Term Loan, due 11/23/2009	1,268,344
	7,980,000	KGEN Tranche A Term Loan, due 8/05/2011	8,079,750
	1,000,000	Northwestern Corp. Term Loan, due 11/01/2011	1,016,250

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued)
<CAPTION>

Industry++	Face Amount	Floating Rate Loan Interests++++	Value
<S>	<C>	<S>	<C>
Utilities (concluded)	$ 1,300,000	Reliant Energy, Inc. Term Loan, due 4/30/2010	$ 1,321,473
	4,354,153	Riverside Energy Center Term Loan, due 6/24/2011	4,463,007
		Rocky Mountain Energy Center, LLC:	
	339,834	Credit Linked Deposit, due 6/24/2011	348,330
	3,093,210	Term Loan, due 6/24/2011	3,170,540

			35,238,434
		Total Investments in Floating Rate Loan Interests (Cost--$195,485,369)--95.7%	198,394,873

<CAPTION>

		Corporate Debt Obligations	
<S>	<C>	<S>	<C>
Aerospace & Defense--0.6%	250,000	Standard Aero Holdings, Inc., 8.25% due 9/01/2014 (a)	268,750
	1,000,000	Transdigm, Inc., 8.375% due 7/15/2011	1,062,500

			1,331,250

Airlines--0.4%	1,000,000	American Airlines, Inc. Series 2001-2, 7.80% due 4/01/2008	895,218
Automotive--0.5%	250,000	Cooper Standard Auto, 8.375% due 12/15/2014 (a)	236,250
	1,000,000	Metaldyne Corp., 11% due 6/15/2012	875,000

			1,111,250
Cable--U.S.--1.6%	2,000,000	Charter Communications Holdings II LLC, 10.25% due 9/15/2010	2,112,500
	1,000,000	Mediacom Broadband LLC, 11% due 7/15/2013	1,106,250

			3,218,750
Chemicals--1.8%	1,400,000	Crompton Corp., 8.71% due 8/01/2010 (b)	1,519,000
	1,789,000	GEO Speciality Chemicals, Inc., 11.064% due 12/31/2009 (c)	1,909,758
	250,000	PQ Corp., 7.50% due 2/15/2013 (a)	259,063

			3,687,821
Consumer-- Non-Durables--0.1%	100,000	Riddell Bell Holdings, Inc., 8.375% due 10/01/2012 (a)	103,500
Diversified Media--0.1%	250,000	Universal City Florida Holding Co., 7.493% due 5/01/2010 (a)(b)	261,875
Energy-- Other--0.3%	250,000	Aventine Renewable Energy Holdings, Inc., 8.501% due 12/15/2011 (a)(b)	257,500
	250,000	Inergy LP, 6.875% due 12/15/2014 (a)	253,750

			511,250
Gaming--3.7%	250,000	Choctaw Resort Development Enterprise, 7.25% due 11/15/2019 (a)	257,500
	2,000,000	Majestic Star Casino LLC, 9.50% due 10/15/2010	2,117,500
		Pinnacle Entertainment, Inc.:	
	1,000,000	8.25% due 3/15/2012	1,067,500
	1,000,000	8.75% due 10/01/2013	1,100,000
	3,000,000	Poster Financial Group, Inc., 8.75% due 12/01/2011	3,191,250

			7,733,750
Health Care--0.3%	250,000	Select Medical Corp., 7.625% due 2/01/2015 (a)	258,438
	325,000	U.S. Oncology, Inc., due 8/15/2012 (a)	355,063

			613,501
Housing--1.1%	2,000,000	American Real Estate Partners LP, 7.125% due 2/15/2013 (a)	2,025,000
	275,000	Nortek, Inc., 8.50% due 9/01/2014	280,500

			2,305,500

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (continued)
<CAPTION>

Industry++	Face Amount	Corporate Debt Obligations	Value
<S>	<C>	<S>	<C>
Information Technology--0.6%	$ 1,000,000	Advanced Micro Devices, Inc., 7.75% due 11/01/2012 (a)	$ 1,020,000
	250,000	Telcordia Technologies, 8.875% due 3/01/2013 (a)	258,125

			1,278,125
Leisure--1.0%	1,000,000	Intrawest Corp., 7.50% due 10/15/2013	1,061,250
	1,000,000	True Temper Sports, Inc., 8.375% due 9/15/2011	962,500

			2,023,750
Manufacturing-- 0.9%	1,000,000	EaglePicher Industries, Inc., 9.75% due 9/01/2013	820,000
	1,000,000	Invensys Plc, 9.875% due 3/15/2011 (a)	1,080,000

			1,900,000
Packaging--1.4%	1,000,000	Pliant Corp., 13% due 6/01/2010	977,500
	1,000,000	Tekni-Plex, Inc., 12.75% due 6/15/2010	890,000
	1,000,000	US Can Corp., 12.375% due 10/01/2010	975,000

			2,842,500

Paper--9.2%	2,000,000	Abitibi-Consolidated, Inc., 5.99% due 6/15/2011 (b)	2,060,000
	7,475,000	Ainsworth Lumber Co. Ltd., 6.30% due 10/01/2010 (a)(b)	7,699,250
	250,000	Boise Cascade LLC, 5.535% due 10/15/2012 (a)(b)	258,125
	2,000,000	Bowater, Inc., 5.49% due 3/15/2010 (b)	2,065,000
		Tembec Industries, Inc.:	
	5,000,000	8.625% due 6/30/2009	5,012,500
	2,000,000	8.50% due 2/01/2011	2,000,000

			19,094,875
Services--1.6%	250,000	Knowledge Learning Corp., Inc., 7.75% due 2/01/2015 (a)	251,250
	3,000,000	United Rentals North America, Inc., 7.75% due 11/15/2013	3,007,500

			3,258,750
Telecommunications--0.9%	1,000,000	LCI International, Inc., 7.25% due 6/15/2007	975,000
	1,000,000	Terremark Worldwide Inc., 9% due 6/15/2009	927,500

			1,902,500
Utilities--5.4%	1,000,000	The AES Corporation, 7.50% due 3/25/2014	1,015,000
	3,000,000	Calpine Corp., 9.625% due 9/30/2014 (a)	3,101,250
	1,000,000	Edison Mission Energy, 7.73% due 6/15/2009	1,075,000
	3,500,000	Electricidad de Caracas Finance BV, 10.25% due 10/15/2014 (a)	3,701,250
	2,000,000	Sierra Pacific Resources, 8.625% due 3/15/2014	2,210,000

			11,102,500
Wireless Telecommunications--1.8%	850,000	Dobson Cellular Systems, 7.493% due 11/01/2011 (a)(b)	896,750
		Rogers Wireless Communications, Inc.:	
	250,000	5.525% due 12/15/2010 (b)	263,750
	2,275,000	7.25% due 12/15/2012	2,462,688
	250,000	8% due 12/15/2012	270,938

			3,894,126
		Total Investments in Corporate Debt Obligations (Cost--$67,244,643)--33.3%	69,070,791

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Schedule of Investments (concluded)
<CAPTION>

Industry++	Shares Held	Common Stocks	Value
<S>	<C>	<S>	<C>
Chemicals--0.1%	10,732	GEO Specialty Chemicals, Inc. (d)	$ 160,980
		Total Investments in Common Stocks (Cost--$0)--0.1%	160,980

<CAPTION>

	Beneficial Interest	Short-Term Securities	
	<C>	<S>	<C>
	$ 94,347	Merrill Lynch Liquidity Series, LLC Cash Sweep Series I*	94,347
		Total Investments in Short-Term Securities (Cost--$94,347)--0.1%	94,347
Total Investments (Cost--$262,824,359**)--129.2%			267,720,991
Liabilities in Excess of Other Assets--(29.2%)			(60,465,963)

Net Assets--100.0%			$ 207,255,028
			==============

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

(b) Floating rate note.

(c) Convertible security.

(d) Non-income producing security.

++ For Fund compliance purposes, "Industry" means 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.

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

* Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

Affiliate	Net Activity	Interest Income
Merrill Lynch Liquidity Series, LLC Cash Sweep Series I	$94,347	$149,000

** The cost and unrealized appreciation (depreciation) of investments as of February 28, 2005, as computed for federal income tax purposes, were as follows:

Aggregate cost	$ 262,824,359
Gross unrealized appreciation	$ 5,514,653
Gross unrealized depreciation	(618,021)
Net unrealized appreciation	$ 4,896,632

See Notes to Financial Statements.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Assets, Liabilities and Capital
<CAPTION>

As of February 28, 2005
<S> <S> <C> <C>

Assets			
	Investments in unaffiliated securities, at value (identified cost--$262,730,012)		$ 267,626,644
	Investments in affiliated securities, at value (identified cost--$94,347)		94,347
	Cash		316,021
	Receivables:		
	Interest (including $605 from affiliates)	$ 2,787,649	
	Securities sold	253,750	
	Commitment fees	13,614	3,055,013
	Other assets		1,334
	Total assets		271,093,359
Liabilities			
	Loans		60,300,000
	Unfunded loan commitment		55,420
	Payables:		
	Securities purchased	2,931,336	
	Dividends to shareholders	299,193	
	Investment adviser	122,192	

	Offering costs	25,862	
	Interest on loans	19,792	
	Other affiliates	1,790	3,400,165
	Accrued expenses and other liabilities		82,746
	Total liabilities		63,838,331
Net Assets			
	Net Assets		$ 207,255,028
Capital			
	Common Stock, par value $.10 per share; 200,000,000 shares authorized (10,496,930 shares issued and outstanding)		$ 1,049,693
	Paid-in capital in excess of par		199,119,933
	Undistributed investment income--net	$ 1,126,098	
	Undistributed realized capital gains--net	1,099,532	
	Unrealized appreciation--net	4,859,772	
	Total accumulated earnings--net		7,085,402
	Total capital--Equivalent to $19.74 net asset value per share of Common Stock (market price--$19.44)		$ 207,255,028

See Notes to Financial Statements.

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>

Statement of Operations

<CAPTION>

For the Period July 30, 2004++ to February 28, 2005

<S>	<S>	<C>	<C>
Investment Income			
	Interest (including $149,000 from affiliates)		$ 7,471,306
	Facility and other fees		90,647
	Total income		7,561,953
Expenses			
	Investment advisory fees	$ 1,012,947	
	Loan interest expense	447,303	
	Borrowing costs	75,000	
	Professional fees	65,930	
	Accounting services	48,879	
	Directors' fees and expenses	30,725	
	Transfer agent fees	17,821	
	Printing and shareholder reports	16,733	
	Custodian fees	10,612	
	Pricing services	6,280	
	Other	8,799	
	Total expenses before waiver	1,741,029	
	Waiver of expenses	(204,027)	
	Total expenses after waiver		1,537,002
	Investment income--net		6,024,951
Realized & Unrealized Gain (Loss)--Net			
	Realized gain on investments--net		1,230,145
	Unrealized appreciation (depreciation) on:		
	Investments--net	4,896,632	
	Unfunded corporate loans--net	(36,860)	4,859,772
	Total realized and unrealized gain--net		6,089,917

Net Increase in Net Assets Resulting from Operations	$ 12,114,868

++ Commencement of operations.

See Notes to Financial Statements.

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Changes in Net Assets
<CAPTION>

Increase (Decrease) in Net Assets:	For the Period July 30, 2004++ to February 28, 2005
<S> <S>	<C>
Operations	
Investment income--net	$ 6,024,951
Realized gain--net	1,230,145
Unrealized appreciation (depreciation)--net	4,859,772
Net increase in net assets resulting from operations	12,114,868
Dividends & Distributions to Shareholders	
Dividends and distributions to shareholders on:	
Investment income--net	(4,898,853)
Realized gain--net	(130,613)
Net decrease from dividends and distributions to shareholders	(5,029,466)
Common Stock Transactions	
Net proceeds from issuance of Common Stock	200,072,500
Value of shares issued to Common Stock shareholders in reinvestment of dividends and distributions	322,024
Offering costs resulting from the issuance of Common Stock	(324,906)
Net increase in net assets resulting from Common Stock transactions	200,069,618
Net Assets	
Total increase in net assets	207,155,020
Beginning of period	100,008
End of period*	$ 207,255,028
* Undistributed investment income--net	$ 1,126,098

++ Commencement of operations.

See Notes to Financial Statements.

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Statement of Cash Flows
<CAPTION>

For the Period July 30, 2004++ to February 28, 2005	
<S> <S>	<C>
Cash Used for Operating Activities	
Net increase in net assets resulting from operations	$ 12,114,868
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Increase in receivables	(2,787,649)

Increase in other assets	(14,948)
Increase in other liabilities	245,080
Realized and unrealized gain--net	(6,089,917)
Amortization of premium and discount	(336,618)
Proceeds from sales and paydowns of long-term securities	58,126,298
Proceeds on other investment related transactions	88,071
Purchases of long-term securities	(316,945,983)
Proceeds from sales of short-term investments--net	151,604
Net cash used for investing activities	(255,449,194)
Cash Provided by Financing Activities	
Cash receipts from issuance of Common Stock	200,072,500
Cash receipts from borrowings	87,780,000
Cash payments on borrowings	(27,480,000)
Cash payments on offering costs	(299,044)
Dividends and distributions paid to shareholders	(4,408,249)
Net cash provided by financing activities	255,665,207
Cash	
Net increase in cash	216,013
Cash at beginning of period	100,008
Cash at end of period	$ 316,021
Cash Flow Information	
Cash paid for interest	$ 427,511
Non-Cash Financing Activities	
Capital shares issued in reinvestment of dividends paid to shareholders	$ 322,024

++ Commencement of operations.

See Notes to Financial Statements.

</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>

Financial Highlights

<CAPTION>

The following per share data and ratios have been derived from information provided in the financial statements.

<S> <S>	<C> For the Period July 30, 2004++ to February 28, 2005
Per Share Operating Performance	
Net asset value, beginning of period	$ 19.10
Investment income--net***	.58
Realized and unrealized gain--net	.57
Total from investment operations	1.15
Less dividends and distributions on:	
Investment income--net	(.47)
Realized gain--net	(.01)
Total dividends and distributions	(.48)
Offering costs resulting from the issuance of Common Stock	(.03)
Net asset value, end of period	$ 19.74
Market price per share, end of period	$ 19.44

Total Investment Return**	
Based on net asset value per share	5.97%+++
Based on market price per share	(.34%)+++
Ratios to Average Net Assets	
Expenses, net of waiver and excluding interest expense	.92%*
Expenses, net of waiver	1.30%*
Expenses	1.48%*
Investment income--net	5.11%*
Leverage	
Amount of borrowings, end of period (in thousands)	$ 60,300
Average amount of borrowings outstanding during the period (in thousands)	$ 29,072
Average amount of borrowings outstanding per share during the period***	$ 2.80
Supplemental Data	
Net assets, end of period (in thousands)	$ 207,255
Portfolio turnover	29.68%

* Annualized.

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

*** Based on average shares outstanding.

++ Commencement of operations.

+++ Aggregate total investment return.

See Notes to Financial Statements.

</TABLE>

Notes to Financial Statements

1. Significant Accounting Policies:
Floating Rate Income Strategies Fund II, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. Prior to commencement of operations on July 30, 2004, the Fund had no operations other than those relating to organizational matters and the sale of 5,236 shares of Common Stock on July 9, 2004 to Fund Asset Management, L.P. ("FAM") for $100,008. The Fund's 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 Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol FRB.

(a) Corporate debt obligations--The Fund invests principally in floating rate obligations of companies, including floating rate loans made by banks and other financial institutions and both privately and publicly offered corporate bonds and notes. Because agents and intermediaries are primarily commercial banks or other financial institutions, the Fund's investment in floating rate loans could be considered concentrated in financial institutions.

(b) Valuation of investments--Floating rate loans are valued in accordance with guidelines established by the Fund's Board of Directors. Floating rate loans are valued at the mean between the last available bid and asked prices from one or more brokers or dealers as obtained from Loan Pricing Corporation. For the limited number of floating rate loans for which no reliable price quotes are available, such floating rate loans may be valued by Loan Pricing Corporation through the use of pricing matrixes to determine valuations. If the pricing service does not provide a value for a floating rate loan, the Investment Adviser will value the floating rate loan at fair value, which is intended to approximate market value.

Securities that are held by the Fund that are traded on stock exchanges or the Nasdaq National Market are valued at the last sale price or official close price on the exchange on which such securities are traded, 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 ask price for short positions. In cases where 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 the Fund. Long positions in securities traded in the over-the-counter ("OTC") market, Nasdaq Small Cap 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 the Fund. Short positions traded in the OTC market are valued at the last available ask price. Portfolio securities that are traded both in the OTC market and on a stock exchange are valued according to the broadest and most representative market. When the Fund writes an option, the amount of the premium received is recorded on the books of the Fund as an asset and an equivalent liability. The amount of the liability is subsequently valued to reflect the current market value of the option written, based on the last sale price in the case of exchange-traded options or, in the case of options traded in the OTC market, the last ask price. Options purchased by the Fund are valued at their last sale price in the case of exchange traded options or, in the case of options traded in the OTC market, the last bid price. The value of swaps, including interest rate swaps, caps and floors, will be determined by obtaining dealer quotations. Other investments, including futures contracts and related options, are stated at market value. Obligations with remaining maturities of 60 days or less are valued at amortized cost unless the Investment Adviser believes that this method no longer produces fair valuations. Repurchase agreements will be valued at cost plus accrued interest. The Fund employs certain pricing services to provide securities prices for the Fund. Securities and 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 the Board of Directors of the Fund, including valuations furnished by the pricing services retained by the Fund, which may use a matrix system for valuations. The procedures of a pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Fund's Board of Directors. Such valuations and procedures will be reviewed periodically by the Fund's Board of Directors.

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 Fund's shares are determined as of such times. Foreign currency exchange rates also are generally determined prior to 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 of the Fund's 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 may be valued at their fair value as determined in good faith by the Fund's Board of Directors or by the Investment Adviser using a pricing service and/or procedures approved by the Fund's Board of Directors.

(c) Derivative financial instruments--The Fund may engage in various portfolio investment strategies both to increase the return of the 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 or if the counterparty does not perform under the contract.

* Financial futures contracts--The Fund may purchase or sell financial futures contracts and options on such futures contracts. 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.

* Options--The 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 is less than or exceeds the premiums paid or received).

Written and purchased options are non-income producing investments.

* Swaps--The Fund may enter into swap agreements, which are over-the-counter 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 Statement 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 based on dealer-supplied valuations 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.

(d) Income taxes--It is the 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.

(e) 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 determined on the identified cost basis. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(f) Offering costs--Direct expenses relating to the public offering of the Fund's Common Stock were charged to capital at the time of issuance of the shares.

(g) Dividends and distributions--Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the exdividend dates. The Fund may at times pay out less than the entire amount of net investment income earned in any particular period and may at times pay out such accumulated undistributed income in other periods to permit the Fund to maintain a more stable level of dividends.

(h) Securities lending--The 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.

2. Investment Advisory Agreement and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with FAM. The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .75% of the Fund's average daily net assets plus the proceeds of any outstanding borrowings used for leverage. During the Fund's start-up phase, FAM elected to waive a portion of its management fee. For the period July 30, 2004 to February 28, 2005, FAM earned fees of $1,012,947, of which $204,027 was waived.

The Fund has received an exemptive order from the Securities and Exchange Commission permitting it to lend portfolio securities to Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), an affiliate of FAM, or its affiliates. Pursuant to that order, the Fund also has retained Merrill Lynch Investment Managers, LLC ("MLIM, LLC"), an affiliate of FAM, as the securities lending agent for a fee based on a share of the returns on investment of cash collateral. MLIM, LLC may, on behalf of the Fund, invest cash collateral received by the Fund for such loans, among other things, in a private investment company managed by MLIM, LLC or in registered money market funds advised by FAM or its affiliates.

For the period July 30, 2004 to February 28, 2005, MLPF&S received gross fees from underwriting of $7,529,264 in connection with the issuance of the Fund's Common Stock. In addition, the Fund reimbursed MLPF&S $49,327 as a partial reimbursement of expenses incurred in connection with the issuance of the Fund's Common Stock.

For the period July 30, 2004 to February 28, 2005, MLPF&S received $2,500 in commissions on the execution of portfolio security transactions for the Fund.

For the period July 30, 2004 to February 28, 2005, the Fund reimbursed FAM $2,799 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

3. Investments:
Purchases and sales (including paydowns) of investments, excluding short-term securities, for the period July 30, 2004 to February 28, 2005 were $319,877,319 and $58,380,048, respectively.

4. Common Stock Transactions:
The Fund is authorized to issue 200,000,000 shares of capital stock par value $.10, all of which are initially classified as Common Stock. The Board of Directors is authorized, however, to classify and reclassify any unissued shares of capital stock without approval of the holders of Common Stock.

Shares issued and outstanding during the period July 30, 2004 to February 28, 2005, increased by 10,475,000 from shares sold and by 16,694 as a result of dividend reinvestment.

5. Short-Term Borrowings:
The Fund has entered into a revolving credit and security agreement funded by a commercial paper asset securitization program with Citicorp North America, Inc. ("Citicorp") as Agent, certain secondary backstop lenders, and certain asset securitization conduits as lenders (the "Lenders"). The credit facility has a maximum limit of $100,000,000. Under the Citicorp program, the conduits will fund advances to the Fund through the issuance of highly rated commercial paper. As security for its obligations to the Lenders under the revolving securitization facility, the Fund has granted a security interest in substantially all of its assets to and in favor of the Lenders. The interest rate on the Fund's borrowings is based on the interest rate carried by the commercial paper plus a program fee. The Fund pays additional borrowing costs including a backstop commitment fee.

The weighted average annual interest rate was 2.62% and the average borrowing was approximately $29,072,000 for the period July 30, 2004 to February 28, 2005.

6. Unfunded Corporate Loans:
As of February 28, 2005, the Fund had unfunded loan commitments of approximately $6,096,000, which would be extended at the option of the borrower pursuant to the following loan agreements:

Borrower	Unfunded Commitment (in Thousands)
Aquila, Inc.	$3,000
Intelsat Ltd.	$1,143
Pinnacle Entertainment, Inc.	$ 953
Vought Aircraft Industries, Inc.	$1,000

7. Distributions to Shareholders:
The Fund paid an ordinary income dividend to holders of Common Stock in the amount of $.095833 per share on March 31, 2005 to shareholders of record on March 15, 2005.

The tax character of distributions paid during the period July 30, 2004 to February 28, 2005 was as follows:

	2/28/2005
Distributions paid from:	
Ordinary income	$ 5,029,466
Total taxable distributions	$ 5,029,466

As of February 28, 2005, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income--net	$ 2,225,630
Undistributed long-term capital gains--net	--
Total undistributed earnings--net	2,225,630
Capital gain carryforward	--
Unrealized gains--net	4,859,772
Total accumulated earnings--net	$ 7,085,402

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Floating Rate Income Strategies Fund II, Inc.:

We have audited the accompanying statement of assets, liabilities and capital, including the schedule of investments, of Floating Rate Income Strategies Fund II, Inc. as of February 28, 2005, and the related statements of operations, changes in net assets and cash flows, and the financial highlights for the period July 30, 2004 (commencement of operations) to February 28, 2005. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit 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 Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes 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 Fund's 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 February 28, 2005, by correspondence with the custodian and financial intermediaries; where replies were not received from financial intermediaries, we performed other auditing procedures. We believe that our audit provides 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 financial position of Floating Rate Income Strategies Fund II, Inc. as of February 28, 2005, the results of its operations, the changes in its net assets, its cash flows, and its financial highlights for the period July 30, 2004 through February 28, 2005, in conformity with U.S. generally accepted accounting principles.

Deloitte & Touche LLP
Princeton, New Jersey
April 22, 2005

Fund Certification (unaudited)

On February 8, 2005, the Fund filed its Chief Executive Officer Certification 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 Fund's Chief Executive Officer and Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the Fund's Form N-CSR and are available on the Securities and Exchange Commission's Web site at http://www.sec.gov.

Automatic Dividend Reinvestment Policy

The following description of the Fund's Automatic Dividend Reinvestment Plan (the "Plan") is sent to you annually as required by federal securities laws.

Pursuant to the Fund's Plan, unless a holder of Common Stock otherwise elects, all dividend and capital gains distributions will be automatically reinvested by EquiServe (the "Plan Agent"), as agent for shareholders in administering the Plan, in additional shares of Common Stock of the Fund. Holders of Common Stock who elect not to participate in the Plan will receive all distributions in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name then to such nominee) by EquiServe, as dividend paying agent. Such participants may elect not to participate in the Plan and to receive all distributions of dividends and capital gains in cash by sending written instructions to EquiServe, as dividend paying agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice if received by the Plan Agent not less than ten days prior to any dividend record date; otherwise such termination will be effective with respect to any subsequently declared dividend or distribution.

Whenever the Fund declares an income dividend or capital gains distribution (collectively referred to as "dividends") payable either in shares or in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of Common Stock. The shares will be acquired by the Plan Agent for the participant's account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized shares of Common Stock from the Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market ("open-market purchases") on the New York Stock Exchange or elsewhere. If, on the payment date for the dividend, the net asset value per share of the Common Stock is equal to or less than the market price per share of the Common Stock plus estimated brokerage commissions (such conditions being referred to herein as "market premium"), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participant. The number of newly issued shares of Common Stock to be credited to the participant's account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If, on the dividend payment date, the net asset value per share is greater than the market value (such condition being referred to herein as "market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases.

In the event of a market discount on the dividend payment date, the Plan Agent will have until the last business day before the next date on which the shares trade on an "ex-dividend" basis or in no event more than 30 days after the dividend payment date (the "last purchase date") to invest the dividend amount in shares acquired in open-market purchases. It is contemplated that the Fund will pay monthly income dividends. Therefore, the period during which open-market purchases can be made will exist only from the payment date on the dividend through the date before the next "ex-dividend" date, which typically will be approximately ten days. If, before the Plan Agent has completed its open-market purchases, the market price of a share of Common Stock exceeds the net asset value per share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisitions of fewer shares than if the dividend had been paid in newly issued shares on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the dividend amount in newly issued shares at the close of business on the last purchase date determined by dividing the uninvested portion of the dividend by the net asset value per share.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares of others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the record shareholders as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends.

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.

Shareholders participating in the Plan may receive benefits not available to shareholders not participating in the Plan. If the market price plus commissions of the Fund's shares is above the net asset value, participants in the Plan will receive shares of the Fund at less than they could otherwise purchase them and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the net asset value, participants will receive distributions in shares with a net asset value greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Fund does not redeem shares, the price on resale may be more or less than the net asset value.

The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Fund's shares are trading at a premium over net asset value, the Fund issues shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of such discount (which may not exceed 5% of the fair market value of the Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence concerning the Plan should be directed to the Plan Agent at EquiServe, P.O. Box 43010, Providence, RI 02940-3010, Telephone: 800-426-5523.

<TABLE>
Officers and Directors
<CAPTION>

Name, Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Public Directorships Held by Director
<S>	<S>	<S>	<S>	<S>	<S>
Interested Director					
Robert C. Doll, Jr.* P.O. Box 9011 Princeton, NJ 08543-9011 Age: 50	President and Director	2005 to present	President of MLIM/FAM-advised funds since 2005; President of MLIM and FAM since 2001; 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) since 2001; President of Princeton Administrators, L.P. (Princeton Administrators) since 2001; Chief Investment Officer of Oppenheimer Funds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.	114 Funds 150 Portfolios	None

* Mr. Doll is a director, trustee or member of an advisory board of certain other investment companies for which MLIM or FAM acts as investment adviser. Mr. Doll is an "interested person," as described in the Investment Company Act, of the Fund based on his current positions with MLIM, FAM, Princeton Services and Princeton Administrators, L.P. The Director's term is unlimited. Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. As Fund President, Mr. Doll serves at the pleasure of the Board of Directors.
</TABLE>

<TABLE>
Officers and Directors (continued)
<CAPTION>

Name, Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Public Directorships Held by Director
<S>	<S>	<S>	<S>	<S>	<S>
Independent Directors*					
Ronald W. Forbes P.O. Box 9095 Princeton, NJ 08543-9095 Age: 64	Director	2004 to present	Professor Emeritus of Finance, School of Business, State University of New York at Albany since 2000 and Professor thereof from 1989 to 2000; International Consultant, Urban Institute from 1995 to 1999.	48 Funds 48 Portfolios	None

Cynthia A. Montgomery P.O. Box 9095 Princeton, NJ 08543-9095 Age: 52	Director	2004 to present	Professor, Harvard Business School since 1989; Associate Professor, J.L. Kellogg Graduate School of Management, Northwestern University from 1985 to 1989; Associate Professor, Graduate School of Business Administration, University of Michigan from 1979 to 1985; Director, Harvard Business School of Publishing since 2005.	48 Funds 48 Portfolios	Newell Rubbermaid, Inc. (manufacturing).
Jean Margo Reid P.O. Box 9095 Princeton, NJ 08543-9095 Age: 59	Director	2004 to present	Self-employed consultant since 2001; Counsel of Alliance Capital Management (investment adviser) in 2000; General Counsel, Director and Secretary of Sanford C. Bernstein & Co., Inc. (investment adviser/broker-dealer) from 1997 to 2000; Secretary, Sanford C. Bernstein Fund, Inc. from 1994 to 2000; Director and Secretary of SCB, Inc. since 1998; Director and Secretary of SCB Partners, Inc. since 2000; Director of Covenant House from 2001 to 2004.	48 Funds 48 Portfolios	None
Roscoe S. Suddarth P.O. Box 9095 Princeton, NJ 08543-9095 Age: 69	Director	2004 to present	President, Middle East Institute from 1995 to 2001; Foreign Service Officer, United States Foreign Service from 1961 to 1995; Career Minister from 1989 to 1995; Deputy Inspector General, U.S. Department of State from 1991 to 1994; U.S. Ambassador to The Hashemite Kingdom of Jordan from 1987 to 1990.	48 Funds 48 Portfolios	None
Richard R. West P.O. Box 9095 Princeton, NJ 08543-9095 Age: 67	Director	2004 to present	Professor of Finance from 1984 to 1995, Dean from 1984 to 1993 and since 1995 Dean Emeritus of New York University Leonard N. Stern School of Business Administration.	48 Funds 48 Portfolios	Bowne & Co., Inc. (financial printers); Vornado Realty Trust (real estate company); Alexander's, Inc. (real estate company).
Edward D. Zinbarg P.O. Box 9095 Princeton, NJ 08543-9095 Age: 70	Director	2004 to present	Self-employed financial consultant since 1994; Executive Vice President of The Prudential Insurance Company of America from 1988 to 1994; former Director of Prudential Reinsurance Company and former Trustee of the Prudential Foundation.	48 Funds 48 Portfolios	None

* The Director's term is unlimited. Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.
</TABLE>

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

<TABLE>
Officers and Directors (concluded)
<CAPTION>

Name, Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
<S>	<S>	<S>	<S>
Fund Officers*			
Donald C. Burke P.O. Box 9011 Princeton, NJ 08543-9011 Age: 44	Vice President and Treasurer	2004 to present	First Vice President of MLIM and FAM since 1997 and Treasurer thereof since 1999; Senior Vice President and Treasurer of Princeton Services since 1999 and Director since 2004; Vice President of FAMD since 1999; Vice President of MLIM and FAM from 1990 to 1997; Director of Taxation of MLIM from 1990 to 2001; Vice President, Treasurer and Secretary of the IQ Funds since 2004.
Joseph P. Matteo	Vice	2004 to	Director (Global Fixed Income) of MLIM since 2001; Vice President of MLIM

P.O. Box 9011 Princeton, NJ 08543-9011 Age: 41	President	present	from 1997 to 2001.
Jaimin J. Patel P.O. Box 9011 Princeton, NJ 08543-9011 Age: 46	Vice President	2004 to present	Director (Global Fixed Income) of MLIM since 2005; Vice President of MLIM from 2000 to 2005; Vice President at Chase Securities, Inc. from 1993 to 2000.
Jeffrey Hiller P.O. Box 9011 Princeton, NJ 08543-9011 Age: 53	Chief Compliance Officer	2004 to present	Chief Compliance Officer of the IQ Funds since 2004; Chief Compliance Officer of the MLIM/FAM-advised funds and First Vice President and Chief Compliance Officer of MLIM (Americas Region) since 2004; Global Director of Compliance at Morgan Stanley Investment Management from 2002 to 2004; Managing Director and Global Director of Compliance at Citigroup Asset Management from 2000 to 2002; Chief Compliance Officer at Soros Fund Management in 2000; Chief Compliance Officer at Prudential Financial from 1995 to 2000; Senior Counsel in the Commission's Division of Enforcement in Washington, D.C. from 1990 to 1995.
Alice A. Pellegrino P.O. Box 9011 Princeton, NJ 08543-9011 Age: 44	Secretary	2004 to present	Director (Legal Advisory) of MLIM since 2002; Vice President of MLIM from 1999 to 2002; Attorney associated with MLIM since 1997; Secretary of MLIM, FAM, FAMD and Princeton Services since 2004.

* Officers of the Fund serve at the pleasure of the Board of Directors.
</TABLE>

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

Transfer Agent
EquiServe
P.O. Box 43010
Providence, RI 02940-3010

NYSE Symbol
FRB

Effective January 1, 2005, Terry K. Glenn, President and Director and Kevin A. Ryan, Director of Floating Rate Income Strategies Fund II, Inc. retired. The Fund's Board of Directors wishes Messrs. Glenn and Ryan well in their retirements.

Effective January 1, 2005, Robert C. Doll, Jr. became President and Director of the Fund.

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule 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 Fund's Forms N-Q are available on the SEC's Web site at http://www.sec.gov. The Fund's 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

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this Web site at http://www.icsdelivery.com/live and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

FLOATING RATE INCOME STRATEGIES FUND II, INC., FEBRUARY 28, 2005

Item 2 - Code of Ethics - The registrant has adopted a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. A copy of the code of ethics is available without charge upon request by calling toll-free 1-800-MER-FUND (1-800-637-3863).

Item 3 - Audit Committee Financial Expert - The registrant's 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: (1) Ronald W. Forbes, (2) Richard R. West, and (3) Edward D. Zinbarg.

Item 4 - Principal Accountant Fees and Services

(a) Audit Fees - Fiscal Year Ending February 28, 2005 - $42,000
Fiscal Year Ending February 29, 2004 - $0

(b) Audit-Related Fees -
Fiscal Year Ending February 28, 2005 - $9,600
Fiscal Year Ending February 29, 2004 - $0

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.

(c) Tax Fees - Fiscal Year Ending February 28, 2005 - $5,700
Fiscal Year Ending February 29, 2004 - $0

The nature of the services include tax compliance, tax advice and tax planning.

(d) All Other Fees - Fiscal Year Ending February 28, 2005 - $0
Fiscal Year Ending February 29, 2004 - $0

(e)(1) 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) 0%

(f) Not Applicable

(g) Fiscal Year Ending February 28, 2005 - $11,046,527
Fiscal Year Ending February 29, 2004 - Not Applicable

(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 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) - $945,000, 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)):

Ronald W. Forbes
Cynthia A. Montgomery
Jean Margo Reid (as of August 20, 2004)
Kevin A. Ryan (retired as of December 31, 2004)
Roscoe S. Suddarth
Richard R. West
Edward D. Zinbarg

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -

Proxy Voting Policies and Procedures

Each Fund's Board of Directors/Trustees has delegated to Merrill Lynch Investment Managers, L.P. and/or Fund Asset Management, L.P. (the "Investment Adviser") authority to vote all proxies relating to the Fund's portfolio securities. The Investment Adviser has adopted policies and procedures ("Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Investment Adviser's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Investment Adviser believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that that the Investment Adviser considers the interests of its clients, including the Funds, and not the interests of the Investment Adviser, when voting proxies and that real (or perceived) material conflicts that may arise between the Investment Adviser's interest and those of the Investment Adviser's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Investment Adviser has formed a Proxy Voting Committee (the "Committee"). The Committee is comprised of the Investment Adviser's Chief Investment Officer (the "CIO"), one or more other senior investment professionals appointed by the CIO, portfolio managers and investment analysts appointed by the CIO and any other personnel the CIO deems appropriate. The Committee will also include two non-voting representatives from the Investment Adviser's Legal department appointed by the Investment Adviser's General Counsel. The Committee's membership shall be limited to full-time employees of the Investment Adviser. No person with any investment banking, trading, retail brokerage or research responsibilities for the Investment Adviser's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee, on the same basis as other interested knowledgeable parties not affiliated with the Investment Adviser might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Investment Adviser and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Investment Adviser and is responsible for determining how those policies are 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 alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Investment Adviser believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Investment Adviser on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Investment Adviser will generally seek to vote proxies over which the Investment Adviser exercises voting authority in a uniform manner for all the Investment Adviser's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Investment Adviser in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). 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 the Investment Adviser by ISS include in-depth research, voting recommendations (although the Investment Adviser is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping obligations under the Investment Company Act.

The Investment Adviser's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Investment Adviser generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Investment Adviser will vote proxies related to securities of foreign issuers only on a best efforts basis and may elect not to vote at all in certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Investment Adviser may be required to vote proxies in respect of an issuer where an affiliate of the Investment Adviser (each, an "Affiliate"), or a money management or other client of the Investment Adviser (each, a "Client") is involved. The Proxy Voting Procedures and the Investment Adviser's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, 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 the Investment Adviser's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the powers of the Committee shall pass to a subcommittee, appointed by the CIO (with advice from the Secretary of the Committee), consisting solely of Committee members selected by the CIO. The CIO shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and whose job evaluations would not be affected by the Investment Adviser's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Investment Adviser's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Investment Adviser's normal voting guidelines or, on matters where the Investment Adviser's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Investment Adviser on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Investment Adviser's fiduciary duties

In addition to the general principles outlined above, the Investment Adviser has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Investment Adviser may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Investment Adviser has adopted specific voting guidelines with respect to the following proxy issues:

* Proposals related to the composition of the Board of Directors of issuers 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 nominee's history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.

* Proposals related to the selection of an issuer's independent 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.

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

* Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.

* Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.

* Routine proposals related to requests regarding the formalities of corporate meetings.

* Proposals related to proxy issues associated solely with holdings of investment company shares. 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 envisions will be approved directly by shareholders.

* Proposals related to limiting 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 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.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - Not Applicable at this time

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 10 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 11 - Controls and Procedures

11(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

11(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal half-year of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 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.

Floating Rate Income Strategies Fund II, Inc.

By: _/s/ Robert C. Doll, Jr._______
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund II, Inc.

Date: April 22, 2005

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/ Robert C. Doll, Jr.________
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund II, Inc.

Date: April 22, 2005

By: _/s/ Donald C. Burke________
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund II, Inc.

Date: April 22, 2005

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert C. Doll, Jr., Chief Executive Officer of Floating Rate Income Strategies Fund II, Inc., certify that:

1. I have reviewed this report on Form N-CSR of Floating Rate Income Strategies Fund II, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund II, Inc.

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Donald C. Burke, Chief Financial Officer of Floating Rate Income Strategies Fund II, Inc., certify that:

1. I have reviewed this report on Form N-CSR of Floating Rate Income Strategies Fund II, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact

necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund II, Inc.

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Robert C. Doll, Jr., Chief Executive Officer of Floating Rate Income Strategies Fund II, Inc. (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Floating Rate Income Strategies Fund II, Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Floating Rate Income Strategies Fund II, Inc. and will be retained by Floating Rate Income Strategies Fund II, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Donald C. Burke, Chief Financial Officer of Floating Rate Income Strategies Fund II, Inc. (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Floating Rate Income Strategies Fund II, Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Floating Rate Income Strategies Fund II, Inc. and will be retained by Floating Rate Income Strategies Fund II, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.