

Edgar Filing: PREFERRED INCOME STRATEGIES FUND INC - Form N-Q

PREFERRED INCOME STRATEGIES FUND INC

Form N-Q

September 28, 2004

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21286

Name of Fund: Preferred Income Strategies Fund, Inc.

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

Name and address of agent for service: Terry K. Glenn, President, Preferred
Income Strategies Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ
08536. Mailing address: P.O. Box 9011, Princeton, NJ 08543-9011

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

Date of fiscal year end: 10/31/04

Date of reporting period: 05/01/04 - 07/31/04

Item 1 - Schedule of Investments

Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (in U.S. dollars)

Preferred Securities

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Capital Trusts |
|---------------|----------------|--------------------|----------------|---|
| Auto - 1.4% | BB | Baa3 | \$ 13,000,000 | Delphi Trust II, 6.197% due 11/1 |
| Banks - 18.2% | A- | A3 | 12,035,000 | ABN AMRO North America Holding P Repackaging Trust I, 6.523% (a) (|
| | A- | A2 | 11,000,000 | Abbey National Capital Trust I, |
| | A- | A1 | 2,000,000 | Bank One Capital III, 8.75% due |
| | A- | A1 | 1,000,000 | Chase Capital I, 7.67% due 12/01 |
| | A- | A1 | 16,455,000 | Chase Capital II, 2.194% due 2/0 |
| | A | Aa3 | 7,225,000 | Danske Bank A/S, 5.914% (a) (b) (c |
| | BBB+ | A2 | 7,210,000 | Den Norske Bank ASA, 7.729% (a) (|
| | BBB+ | A3 | 34,000,000 | Dresdner Funding Trust I, 8.151% |
| | A | NR* | 4,310,000 | HBOS Capital Funding LP, 6.85% (|
| | A- | A2 | 2,000,000 | HSBC Americas Capital Trust I, 7 12/15/2026(a) |
| | A- | A1 | 15,835,000 | HSBC Capital Funding LP, 10.176% |
| | NR* | NR* | 12,275,000 | Hubco Capital Trust II, 7.65% du |

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| | | | | |
|---------------------------|------|------|------------|---|
| | A+ | Aa2 | 2,000,000 | Lloyds TSB Bank PLC, 6.90% (c) |
| | A- | Aa3 | 18,470,000 | NB Capital Trust III, 2.15% due |
| | A | A1 | 970,000 | RBS Capital Trust I, 4.709% (b) (|
| | A- | A2 | 2,000,000 | Republic New York Capital II, 7.12/04/2026 |
| | A- | A2 | 10,000,000 | Westpac Capital Trust III, 5.819% |
| ----- | | | | |
| Diversified | BB | Baa3 | 8,500,000 | Fuji JGB Investment LLC, 9.87% |
| Financial Services - 1.6% | BB | Baa3 | 5,000,000 | SB Treasury Company LLC, 9.40% |
| ----- | | | | |
| Electric - 5.5% | BBB- | Baa2 | 10,000,000 | Dominion Resources Capital Trust 12/01/2027 |
| | BBB- | Baa2 | 15,000,000 | Dominion Resources Capital Trust 1/15/2031 |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (continued)

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Capital Trusts |
|-----------------------------------|-------------|-----------------|---------------|---|
| ===== | | | | |
| Electric (concluded) | BB+ | Ba3 | \$ 14,950,000 | REI Capital Trust II, 8.257% due |
| | BB+ | Baa2 | 9,500,000 | SWEPCO Capital Trust I, 5.25% due |
| ----- | | | | |
| Finance - 3.5% | BBB+ | A3 | 10,000,000 | CIT Capital Trust I, 7.70% due 2 |
| | A- | A1 | 11,300,000 | Goldman Sachs Capital I, 6.345% |
| | BB+ | Baa3 | 1,000,000 | MBNA Capital A, 8.278% due 12/01 |
| | A+ | A1 | 10,000,000 | Sun Life of Canada (U.S.) Capita 8.526% (a) (c) |
| ----- | | | | |
| Financial - 0.5% | NR* | Baa1 | 4,500,000 | St. George Bank Funding Company, 8.485% (a) (c) |
| ----- | | | | |
| Financial Services - Other - 0.1% | A- | A1 | 998,000 | JPM Capital Trust I, 7.54% due 1 |
| ----- | | | | |
| Gas - 0.6% | BBB | Baa2 | 5,000,000 | AGL Capital Trust, 8.17% due 6/0 |
| ----- | | | | |
| Insurance - 7.2% | BBB | Baa3 | 28,165,000 | AON Capital Trust, 8.205% due 1/ |
| | AA | Aa1 | 2,000,000 | American General Institutional C due 3/15/2046(a) |
| | A- | A2 | 6,066,000 | ING Capital Funding Trust III, 8 |
| | BB | Ba1 | 1,000,000 | Markel Capital Trust I, 8.71% du |

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| | | | | |
|------------------|------|------|------------|---|
| | A+ | A2 | 6,325,000 | Principal Life Insurance Company 3/01/2044 (Surplus Notes) (a) |
| | BBB | Baa1 | 14,000,000 | QBE Insurance Group Limited, 5.6 7/01/2023 (a) (b) |
| | A- | Baa1 | 6,225,000 | Transamerica Capital III, 7.625% |
| ----- | | | | |
| Insurance - | BBB+ | A3 | 23,725,000 | Axa, 8.60% due 12/15/2030 (Surpl |
| Multiline - 4.5% | BBB+ | A3 | 1,000,000 | GenAmerica Capital I, 8.525% due |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (continued)

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Capital Trusts |
|---------------------------------------|----------------|--------------------|----------------|--|
| Insurance - Multiline (concluded) | BBB- | Baa2 | \$ 11,566,000 | Safeco Capital Trust I, 8.072% d |
| ----- | | | | |
| Oil - 2.2% | BBB | Baa2 | 9,850,000 | ConocoPhillips Capital Trust II, 1/15/2037 (a) |
| | A- | A2 | 10,000,000 | Oil Insurance Limited, 5.15% due |
| ----- | | | | |
| PipeLines - 0.8% | BB+ | Baa3 | 5,000,000 | K N Capital Trust I, 8.56% due 4 |
| | BB+ | Baa3 | 1,750,000 | K N Capital Trust III, 7.63% due |
| ----- | | | | |
| Reinsurance - 4.3% | BBB- | Baa1 | 22,100,000 | ACE Capital Trust II, 9.70% due |
| | A- | Baa2 | 10,000,000 | Zurich Capital Trust I, 8.376% d |
| ----- | | | | |
| Savings & Loan Associations - 3.6% | BB | Ba1 | 5,000,000 | Astoria Capital Trust I: 9.75% due 11/01/2029 |
| | BB | Ba2 | 1,000,000 | 9.75% due 11/01/2029 (a) |
| | BBB | Baa1 | 5,760,000 | Dime Capital Trust I, 9.33% due |
| | BB | Baa2 | 12,765,000 | GreenPoint Capital Trust I, 9.10 |
| | BB | NR* | 5,775,000 | Webster Capital Trust I, 9.36% d |
| ----- | | | | |
| Special Situations - 4.1% | NR* | NR* | 15,000,000 | AgFirst Farm Credit Bank, 8.393% 12/15/2016 (b) |
| | BBB+ | Baa3 | 15,000,000 | Farmers Exchange Capital, 7.05% |
| | AA- | Aa3 | 8,000,000 | Swedish Export Credit Corporatio |

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Total Investments in Capital Tru
(Cost - \$545,245,535) - 58.1%

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (continued)

| Industry+ | Shares Held | Preferred Stocks |
|---|----------------|--|
| Banks - 6.9% | 150 | BBVA Privanza International (Gib 7.764% (a) |
| | 435,200 | Banco Santander Central Hispano |
| | 320,000 | CoBank, ACB, 7% (a) |
| | 1,000,000 | Royal Bank of Scotland Group PLC |
| Electric - 2.6% | 14,000 | Alabama Power Company, 5.83% |
| | 8,200 | Delmarva Power & Light Company, |
| | 80,000 | Interstate Power and Light Compa |
| | 17,372 | South Carolina Electric & Gas Co |
| | 200,000 | TXU Corporation, 7.24% (b) |
| Electric Utilities - 0.4% | 80,000 | Duquesne Light Company, 6.50% |
| Finance - 4.1% | 264,650 | Federal National Mortgage Associ |
| | 72,250 | J.P. Morgan Chase & Co., 4.50% (|
| | 100,000 | Lehman Brothers Holdings, Inc., |
| | 600,000 | Lehman Brothers Holdings, Inc., |
| Gas - 1.8% | 626,000 | Southern Union Company, 7.55% |
| Insurance - 2.5% | 880,000 | ACE Limited, 7.80% |
| Miscellaneous Materials & Commodities - 2.6% | 23,000 | SG Preferred Capital II, 6.302% |
| Reinsurance - 3.1% | 22,000 | Zurich RegCaPS Funding Trust I, |
| | 7,000 | Zurich RegCaPS Funding Trust II, |
| Sovereign Government Obligations - 1.0% | 9,000,000 | Farm Credit Bank of Texas, 7.561 |

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Specialty Markets - 0.2% 80,000 Corporate-Backed Trust Certifica

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (continued)

| Industry+ | Shares Held | Preferred Stocks |
|-------------------------------|----------------|--|
| Wireless Communication - 4.0% | 30,423 | Centaur Funding Corporation, 9.0% |
| | | Total Investments in Preferred S (Cost - \$270,980,115) - 29.2% |

Real Estate Investment Tr

| | | |
|-------------------------------|-----------|---|
| Real Estate Investment Trusts | 196,000 | AMB Property Corporation, 6.50% |
| | 124,000 | AMB Property Corporation, 6.75% |
| | 251,400 | Alexandria Real Estate Equities, |
| | 290,000 | BRE Properties, Inc., 6.75% |
| | 400,000 | CBL & Associates Properties, Inc |
| | 600,000 | CarrAmerica Realty Corporation , |
| | 200,000 | Cousins Properties, Inc., 7.75% |
| | 780,000 | Developers Diversified Realty Co |
| | 280,000 | Developers Diversified Realty Co |
| | 100,000 | Duke Realty Corporation, 6.50% |
| | 270,000 | Duke Realty Corporation, 6.625% |
| | 787,000 | Equity Residential Properties Tr |
| | 2,390 | First Industrial Realty Trust, I |
| | 4,000 | Firststar Realty LLC, 8.875% (a) |
| | 768,000 | Health Care Property Investors, |
| | 686,000 | Kimco Realty Corporation, 6.65% |
| | 1,600,000 | New Plan Excel Realty Trust, 7.6 |
| | 72,000 | PS Business Parks, Inc., 7% |
| | 161,400 | PS Business Parks, Inc., 7.95% |
| | 320,000 | Public Storage, Inc., 6.45% |
| | 607,550 | Regency Centers Corporation, 7.4 |
| | 11,857 | Sovereign Real Estate Investment |
| | 130,000 | Wachovia Preferred Funding Corpo |
| | 600,000 | Weingarten Realty Investors, Inc |
| | | Total Investments in Real Estate Trusts (Cost - \$255,147,085) - 2 |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (continued)

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Trust Preferred |
|------------------------------------|-------------|-----------------|---------------|--|
| Aerospace & Defense - 3.2% | NR* | NR* | \$ 27,450,000 | RC Trust I, 7% due 5/15/2006 |
| Auto - 1.1% | BB | Baa3 | 10,000,000 | Delphi Trust I, 8.25% due 10/15/2006 |
| Banks - 0.5% | A- | A2 | 4,875,000 | J.P. Morgan Chase Capital XI, 5.625% due 6/15/2033 |
| Electric - 1.6% | A | A2 | 11,750,000 | Georgia Power Company, 5.90% due 10/15/2006 |
| | BBB- | Baa2 | 3,000,000 | HECO Capital Trust III, 6.50% due 10/15/2006 |
| | BB+ | Baa3 | 397,425 | PSEG Funding Trust II, 8.75% due 10/15/2006 |
| | BBB | Baa1 | 950,000 | Virginia Power Capital Trust II, 7.75% due 7/30/2042 |
| Finance - 3.5% | BBB+ | Baa1 | 27,000,000 | Countrywide Capital IV, 6.75% due 10/15/2006 |
| | NR* | A1 | 1,000,000 | Household Finance Corporation, 6.75% due 1/30/2033 |
| | BBB+ | A3 | 875,000 | Lehman Brothers Holdings Capital Trust I, 6.375% due 3/15/2052 |
| | A- | A1 | 817,000 | Morgan Stanley Capital Trust III, 6.75% due 3/01/2033 |
| | NR* | NR* | 4,000,000 | Principal Protected PreTSL IX, 6.75% due 4/03/2033 |
| Gas - 0.6% | BB | Baa3 | 5,750,000 | Southwest Gas Capital II, 7.70% due 10/15/2006 |
| Insurance - 2.1% | A | A3 | 16,000,000 | ABN AMRO North America Capital Trust I, 1.575% (b) (c) |
| | BBB | Baa1 | 5,000,000 | Lincoln National Capital VI, 6.75% due 10/15/2006 |
| PipeLines - 0.1% | BBB- | Baa1 | 500,000 | Dominion-CNG Capital Trust I, 7.75% due 10/31/2041 |
| Reinsurance - 0.1% | BBB | Baa1 | 1,000,000 | Everest Re Capital Trust, 7.85% due 10/15/2006 |
| Savings & Loan Associations - 1.4% | NR* | NR* | 6,000,000 | Dime Community Capital I, 7% due 10/15/2006 |
| | NR* | NR* | 8,000,000 | Roslyn Real Estate Asset Corporation, 5.236% (b) (c) |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

Preferred Securities (concluded)

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Trust Preferred |
|---------------------------------------|-------------|-----------------|--------------|--|
| Special Situations - 0.5% | BBB+ | A3 | \$ 5,000,000 | Natural Rural Utilities Cooperat Corporation, 6.75% due 2/15/2043 |
| | | | | Total Investments in Trust Prefe (Cost - \$140,219,922) - 14.7% |
| | | | | Total Investments in Preferred S (Cost - \$1,211,592,657) - 128.8% |
| ----- | | | | |
| Corporate Bonds | | | | |
| Auto - 1.0% | BBB- | Baa1 | 10,000,000 | Ford Motor Company, 7.45% due 7/ |
| Broadcasting/Media - 1.0% | BBB- | Baa3 | 10,000,000 | Liberty Media Corporation, 5.70% |
| Cable Television Services - 1.1% | BBB | Baa3 | 10,000,000 | Comcast Corporation, 7.05% due 3 |
| Cellular Telephones - 3.7% | BBB | Baa2 | 28,000,000 | AT&T Wireless Services, Inc., 8. |
| Diversified Financial Services - 3.1% | BBB | A3 | 29,000,000 | General Motors Acceptance Corporon 11/01/2031 |
| Electronics - 1.1% | BB+ | Baa3 | 10,000,000 | FirstEnergy Corp., 6.45% due 11/ |
| Finance - 1.6% | AAA | Aaa | 15,000,000 | Sigma Finance Corporation, 1.12% |
| Foods - 0.5% | BBB | Baa3 | 4,800,000 | Tyson Foods, Inc., 7% due 1/15/2 |
| Multimedia - 2.7% | BBB+ | Baa1 | 5,000,000 | Time Warner Inc.: 7.625% due 4/15/2031 |
| | BBB+ | Baa1 | 18,000,000 | 7.70% due 5/01/2032 |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

| Industry+ | S&P Ratings | Moody's Ratings | Face Amount | Corporate Bonds |
|---------------------------|-------------|-----------------|---------------|---|
| Oil Field Services - 2.1% | BBB | Baa2 | \$ 16,575,000 | Duke Energy Field Services, LLC, 8/16/2030 |
| Reinsurance - 1.2% | A- | A1 | 10,000,000 | GE Global Insurance Holding Corp due 6/15/2030 |
| Telephone - 7.0% | BBB+ | Baa2 | 28,000,000 | France Telecom, 9.50% due 3/01/2019 |
| | BBB- | Baa3 | 2,000,000 | Sprint Capital Corporation: 6.90% due 5/01/2019 |
| | BBB- | Baa3 | 24,000,000 | 8.75% due 3/15/2032 |
| | | | | Total Investments in Corporate Bonds (Cost - \$240,698,026) - 26.1% |

Short-Term Securities

| | | | | |
|--|--|--|-----------|---|
| | | | 5,875,000 | Federal Home Loan Banks, 1.22% due 8/13/2004 (e) (f) |
| | | | 9,500,000 | Federal Home Loan Mortgage Corporation, 8/24/2004 (e) (f) |
| | | | 720,000 | Federal National Mortgage Association, 8/04/2004 (e) (f) |
| | | | | Total Investments in Short-Term Securities (Cost - \$16,086,033) - 1.7% |

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

| | Number of Contracts | Options Purchased |
|--|---------------------|---|
| | 97 | Swaption, expiring September 2004, Broker Lehman Brothers Special F |

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| | | |
|--|-------|---|
| | 800 | U.S. Treasury Notes, expiring Au Broker Greenwich Capital Markets |
| | 800 | U.S. Treasury Notes, expiring Au \$108, Broker Fimat USA |
| | 1,010 | U.S. Treasury Notes, expiring Au \$109, Broker HSBC Securities Inc |
| | 1,675 | U.S. Treasury Notes, expiring Se \$105, Broker Credit Suisse First |
| | | Total Options Purchased (Premiums Paid - \$11,830,695) - |
| | | Total Investments - (Cost - \$1,480,207,411) - 157.2% |

| | | |
|-------------------------|-------|---|
| Options Written | | |
| Call Options Written | 800 | U.S. Treasury Notes, expiring Au \$108, Broker Greenwich Capital M |
| | 1,225 | U.S. Treasury Notes, expiring Se \$111, Broker Credit Suisse First |
| | 800 | U.S. Treasury Notes, expiring Au \$111, Broker Fimat USA. |

| | | |
|------------------------|-----|--|
| Put Options Written | 175 | Swaption, expiring September 201 Broker Lehman Brothers Special F |
|------------------------|-----|--|

| | | |
|--|--|--|
| | | Total Options Written (Premiums Received - \$ 11,974,29 |
|--|--|--|

Total Investments, Net of Options Written (Cost - \$1,468,233,115**) - 156.3%

Other Assets Less Liabilities - 1.3%

Preferred Stock, at Redemption Value - (57.6)%

Net Assets Applicable to Common Stock - 100.0%

Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (continued) (in U.S. dollars)

- (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) The security is a perpetual bond and has no definite maturity date.
- (d) This European style swaption, which can be exercised only to the expiration date, represents a standby commitment whereby the Fund is obligated to enter into a predetermined interest rate swap contract upon exercise of the swaption. One swaption contract represents a notional amount of \$1,000,000.
- (e) All or a portion of security held as collateral in connection with open financial futures contracts.

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(f) Certain U.S. Government Obligations are traded on a discount basis; the interest rates shown reflects the discount rate paid at the time of purchase by the Fund.

* Not Rated.

** The cost and unrealized appreciation/depreciation of investments as of July 31, 2004, as computed for federal income tax purposes, were as follows:

| | |
|--|------------------|
| Aggregate cost, net of options written | \$ 1,471,163,659 |
| | ===== |
| Gross unrealized appreciation | \$ 48,597,910 |
| Gross unrealized depreciation | (26,341,880) |
| | ----- |
| Net unrealized appreciation | \$ 22,256,030 |
| | ===== |

+ 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 such industry sub-classifications for reporting ease.

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Preferred Income Strategies Fund, Inc.

Schedule of Investments as of July 31, 2004 (concluded) (in U.S. dollars)

| Swap contracts outstanding as of July 31, 2004 were as follows: | Notion Amount |
|---|------------------|
| ----- | |
| Receive a variable rate equal to 1-month LIBOR and pay a fixed rate of 1.31% Broker, UBS Warburg Expires June 2005 | \$ 150,000 |
| Receive a variable rate equal to 1-month LIBOR and pay a fixed rate of 1.32% Broker, UBS Warburg Expires June 2005 | \$ 25,000 |
| Receive a variable rate equal to 1-month LIBOR and pay a fixed rate of 1.3275% Broker, J.P. Morgan Chase Bank Expires June 2005 | \$ 125,000 |
| Receive a variable rate equal to 1-month LIBOR and pay a fixed rate of 1.33% Broker, Morgan Stanley Capital Services, Inc. Expires June 2005 | \$ 125,000 |
| Receive a variable rate equal to 3-month LIBOR and pay a fixed rate of 5.3575% Broker, Morgan Stanley Capital Services, Inc. Expires October 2014 | \$ 300,000 |
| ----- | |
| Total | |

Financial futures contracts sold as of July 31, 2004 were as follows:

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| Number of Contracts | Issue | Expiration Date | Face Value | Unrealiz Depreciat |
|------------------------|-----------------------------|-----------------|---------------|-----------------------|
| 5,282 | 10-year U.S. Treasury Notes | September 2004 | \$576,696,225 | \$(8,120,2 |

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Item 2 - Controls and Procedures

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

Item 3 - Exhibits

Certifications - Attached hereto

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

Preferred Income Strategies Fund, Inc.

By: /s/ Terry K. Glenn

 Terry K. Glenn,
 President of
 Preferred Income Strategies Fund, Inc.

Date: September 17, 2004

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/ Terry K. Glenn

 Terry K. Glenn,
 President of

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Preferred Income Strategies Fund, Inc.

Date: September 17, 2004

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Financial Officer of
Preferred Income Strategies Fund, Inc.

Date: September 17, 2004