

BLACKROCK SENIOR HIGH INCOME FUND, INC.

Form N-CSRS

November 04, 2013

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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 811-07456

Name of Fund: BlackRock Senior High Income Fund, Inc. (ARK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

Income Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 02/28/2014

Date of reporting period: 08/31/2013

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Item 1 Report to Stockholders

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AUGUST 31, 2013

**SEMI-ANNUAL REPORT (UNAUDITED)**

**BlackRock Corporate High Yield Fund, Inc. (COY)**

**BlackRock Corporate High Yield Fund III, Inc. (CYE)**

**BlackRock Debt Strategies Fund, Inc. (DSU)**

**BlackRock Senior High Income Fund, Inc. (ARK)**

**Not FDIC Insured   May Lose Value   No Bank Guarantee**

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Dear Shareholder

Though we've seen spates of volatility over the past year, riskier asset classes generally outperformed lower-risk investments. Financial markets rallied last fall after the European Central Bank and the US Federal Reserve announced aggressive monetary stimulus programs, substantially increasing global liquidity. But markets weakened later in the year amid slowing global trade as many European countries fell into recession and growth continued to decelerate in China. In the United States, investors became increasingly concerned about the fiscal cliff of tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. High levels of global market volatility persisted through year-end due to fears that bipartisan gridlock would preclude a timely resolution, putting the US economy at risk for recession.

The worst of the fiscal cliff was averted with a last-minute tax deal, allowing markets to get off to a good start in 2013. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world's major economies coupled with the absence of negative headlines from Europe created an aura of comfort for investors. Global equities surged, while rising US Treasury yields pressured high quality fixed income assets. (Bond prices move in the opposite direction of yields.)

February brought a slowdown in global economic momentum and the pace of the rally moderated. In the months that followed, US equities outperformed international markets, as the US economic recovery showed greater stability compared to most other regions. Slow, but positive, growth in the United States was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced investors' expectations that the US Federal Reserve would keep interest rates low. International markets experienced higher levels of volatility given a resurgence of political instability in Italy and a severe banking crisis in Cyprus, while a poor outlook for European economies also dampened sentiment for overseas investment. Emerging markets significantly lagged the rest of the world as growth in these economies (particularly China and Brazil) fell short of expectations.

After peaking in late May, equity markets broadly sold off due to concerns about the US Federal Reserve reducing monetary stimulus. Volatility picked up considerably as investors abruptly retreated from risk assets and a sharp and dramatic rise in US Treasury yields resulted in tumbling prices for higher-quality fixed income investments. The downswing bottomed out in late June as a more dovish tone from the US central bank served to quell the extreme level of volatility in interest rates. Improving economic data and a positive outlook for corporate earnings helped financial markets regain strength in July, with major US equity indices hitting new record highs. However, markets slumped again in August as investors became more wary amid a number of unknowns. Mixed economic data spurred heightened uncertainty about the future of global growth and investors grew anxious about the timing and extent to which the US Federal Reserve would scale back on its asset-purchase program. Meanwhile, escalating political turmoil in Egypt and Syria renewed concerns about the impact of the broader issue of growing unrest in many countries across the Middle East-North Africa region.

On the whole, developed market equities generated strong returns for the 6- and 12-month periods ended August 31, 2013. Emerging markets, in contrast, suffered the impact of slowing growth and concerns about a shrinking global money supply. Extraordinary levels of interest rate volatility in the latter part of the period resulted in poor performance for most fixed income assets, especially US Treasury bonds and other higher quality sectors such as tax-exempt municipals and investment grade corporate bonds. Conversely, high yield bonds posted gains as the sector continued to benefit from investors' ongoing search for income in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities near historical lows.

Markets remain volatile, and investors continue to face a number of uncertainties in the current environment. At BlackRock, we believe investors need to think globally and extend their scope across a broader array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit [www.blackrock.com](http://www.blackrock.com) for further insight about investing in today's world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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*Though we've seen spates of volatility over the past year, riskier asset classes generally outperformed lower-risk investments.*

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of August 31, 2013

|  | 6-month | 12-month |
|--|---------|----------|
| US large cap equities<br>(S&P 500® Index)  | 8.95%   | 18.70%   |
| US small cap equities<br>(Russell 2000® Index)   | 11.73   | 26.27    |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                | 3.71    | 18.66    |
| Emerging market equities<br>(MSCI Emerging Markets Index)                              | (10.29) | 0.54     |
| 3-month Treasury bill<br>(BofA Merrill Lynch<br>3-Month US Treasury<br>Bill Index)     | 0.05    | 0.11     |
| US Treasury securities<br>(BofA Merrill Lynch<br>10-Year US Treasury Index)            | (6.10)  | (7.51)   |
| US investment grade<br>bonds (Barclays US<br>Aggregate Bond Index)                     | (2.61)  | (2.47)   |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                            | (5.99)  | (3.74)   |
| US high yield bonds<br>(Barclays US Corporate<br>High Yield 2% Issuer<br>Capped Index) | 0.84    | 7.56     |

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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**Fund Summary** as of August 31, 2013

**BlackRock Corporate High Yield Fund, Inc.**

**Fund Overview**

BlackRock Corporate High Yield Fund, Inc. (COY) (the Fund) investment objective is to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities, which are rated in the lower rating categories of the established rating services (BB or lower by Standard & Poor's Corporation (S&P's) or Ba or lower by Moody's Investors Service, Inc. (Moody's)) or are unrated securities considered by BlackRock to be of comparable quality. As a secondary objective, the Fund also seeks to provide shareholders with capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets in high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and corporate loans, which are below investment grade quality. The Fund may invest directly in such securities or synthetically through the use of derivatives.

On June 5, 2013, the Board of the Fund approved the reorganization of the Fund with BlackRock Corporate High Yield Fund VI, Inc., with BlackRock Corporate High Yield Fund VI, Inc. continuing as the surviving fund after the reorganization. On October 11, 2013, the shareholders of the Fund and BlackRock Corporate High Yield Fund VI, Inc. approved the reorganization, which is expected to be completed in late 2013.

No assurance can be given that the Fund's investment objectives will be achieved.

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended August 31, 2013, the Fund returned (10.76)% based on market price and 2.53% based on net asset value (NAV). For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (6.67)% based on market price and 1.46% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Fund benefited from a tactical allocation to equities, which rallied during the period. In fixed income, selection in the automotive, technology and consumer service industries boosted results. Exposure to senior secured floating rate loan interests (bank loans) also aided performance as the asset class outperformed high yield bonds for the six-month period.

Detracting from performance was the Fund's exposure to issuers in the independent energy, electric and banking industries.

**Describe recent portfolio activity.**

The Fund actively managed risk throughout the period. The Fund began the period with a riskier stance, but gradually reduced risk in the early months of the period by taking advantage of market strength to sell its higher-beta holdings (securities with greater sensitivity to market movements). However, the Fund scaled back its risk exposure more aggressively when financial markets began to correct in mid-May.

The Fund's focus on income-oriented credits with strong asset bases and good earnings visibility remained paramount to its investment selection process. While continuing to find value within credit sectors, during the period, the Fund tactically added to select positions in equity and equity-like assets with compelling total return opportunities. Given upward pressure on interest rates in the latter part of the period,

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the Fund reduced duration (sensitivity to interest rate movements) in its credit allocation. The Fund added to positions in floating rate loan interests as a means of lowering the Fund's duration profile and hedging against the risk of further interest rate volatility. Over the six-month period, the Fund increased exposure to the technology and building materials industries, while decreasing risk within metals and chemicals. **Describe portfolio positioning at period end.**

At period end, the Fund held 77% of its total portfolio in corporate bonds, 14% in floating rate loan interests and 7% in common stocks, with the remainder invested in preferred securities. The Fund's highest-conviction holdings included HD Supply, Inc. (building materials), Caesars Entertainment Corp. (gaming) and Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc. (electric). The Fund held limited exposure to segments with minimal cash flow visibility and/or challenged industry dynamics. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.



**Table of Contents****BlackRock Corporate High Yield Fund, Inc.****Fund Information**

|   |               |
|---|---------------|
| Symbol on New York Stock Exchange ( NYSE )  | COY           |
| Initial Offering Date   | June 25, 1993 |
| Current Distribution Rate on Closing Market Price as of August 31, 2013 (\$6.89) <sup>1</sup> | 8.62%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.0495      |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.5940      |
| Economic Leverage as of August 31, 2013 <sup>3</sup>  | 29%           |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

**Market Price and Net Asset Value Per Share Summary**

|                 | 8/31/13 | 2/28/13 | Change   | High   | Low    |
|-----------------|---------|---------|----------|--------|--------|
| Market Price    | \$6.89  | \$8.04  | (14.30)% | \$8.39 | \$6.74 |
| Net Asset Value | \$7.64  | \$7.76  | (1.55)%  | \$8.07 | \$7.44 |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

| Portfolio Composition                  | 8/31/13 | 2/28/13 |
|--|---------|---------|
| Corporate Bonds                        | 77%     | 75%     |
| Floating Rate Loan Interests           | 14      | 17      |
| Common Stocks                          | 7       | 7       |
| Preferred Securities                   | 2       | 1       |
| Credit Quality Allocation <sup>4</sup> | 8/31/13 | 2/28/13 |
| BBB/Baa                                | 4%      | 6%      |
| BB/Ba                                  | 31      | 36      |
| B                                      | 52      | 46      |
| CCC/Caa                                | 11      | 10      |
| Not Rated                              | 2       | 2       |

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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**Fund Summary** as of August 31, 2013

**BlackRock Corporate High Yield Fund III, Inc.**

**Fund Overview**

BlackRock Corporate High Yield Fund III, Inc.'s (CYE) (the Fund) primary investment objective is to provide current income by investing primarily in fixed-income securities, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or are unrated securities of comparable quality. The Fund's secondary investment objective is to provide capital appreciation. The Fund may invest directly in such securities or synthetically through the use of derivatives.

On June 5, 2013, the Board of the Fund approved the reorganization of the Fund with BlackRock Corporate High Yield Fund VI, Inc., with BlackRock Corporate High Yield Fund VI, Inc. continuing as the surviving fund after the reorganization. On October 11, 2013, the shareholders of the Fund and BlackRock Corporate High Yield Fund VI, Inc. approved the reorganization, which is expected to be completed in late 2013.

No assurance can be given that the Fund's investment objectives will be achieved.

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended August 31, 2013, the Fund returned (7.95)% based on market price and 2.61% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (6.67)% based on market price and 1.46% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Fund benefited from a tactical allocation to equities, which rallied during the period. In fixed income, selection in the automotive, technology and consumer service industries boosted results. Exposure to senior secured floating rate loan interests (bank loans) also aided performance as the asset class outperformed high yield bonds for the six-month period.

Detracting from performance was the Fund's exposure to issuers in the independent energy, electric and chemicals industries.

**Describe recent portfolio activity.**

The Fund actively managed risk throughout the period. The Fund began the period with a riskier stance, but gradually reduced risk in the early months of the period by taking advantage of market strength to sell its higher-beta holdings (securities with greater sensitivity to market movements). However, the Fund scaled back its risk exposure more aggressively when financial markets began to correct in mid-May.

The Fund's focus on income-oriented credits with strong asset bases and good earnings visibility remained paramount to its investment selection process. While continuing to find value within credit sectors, during the period, the Fund tactically added to select positions in equity and equity-like assets with compelling total return opportunities. Given upward pressure on interest rates in the latter part of the period, the Fund reduced duration (sensitivity to interest rate movements) in its credit allocation. The Fund added to positions in floating rate loan

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interests as a means of lowering the Fund's duration profile and hedging against the risk of further interest rate volatility. Over the six-month period, the Fund increased exposure to the technology and building materials industries, while decreasing risk within metals and chemicals.  
**Describe portfolio positioning at period end.**

At period end, the Fund held 76% of its total portfolio in corporate bonds, 14% in floating rate loan interests and 7% in common stocks, with the remainder invested in preferred securities and asset-backed securities. The Fund's highest-conviction holdings included HD Supply, Inc. (building materials), Caesars Entertainment Corp. (gaming) and Level 3 Financing, Inc. (wirelines). The Fund held limited exposure to segments with minimal cash flow visibility and/or challenged industry dynamics.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Table of Contents****BlackRock Corporate High Yield Fund III, Inc.****Fund Information**

|   |                  |
|---|------------------|
| Symbol on NYSE  | CYE              |
| Initial Offering Date   | January 30, 1998 |
| Current Distribution Rate on Closing Market Price as of August 31, 2013 (\$6.97) <sup>1</sup> | 8.69%            |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.0505         |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.6060         |
| Economic Leverage as of August 31, 2013 <sup>3</sup>  | 29%              |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

**Market Price and Net Asset Value Per Share Summary**

|                 | 8/31/13 | 2/28/13 | Change   | High   | Low    |
|-----------------|---------|---------|----------|--------|--------|
| Market Price    | \$6.97  | \$7.89  | (11.66)% | \$8.07 | \$6.85 |
| Net Asset Value | \$7.76  | \$7.88  | (1.52)%  | \$8.20 | \$7.56 |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

| Portfolio Composition                  | 8/31/13 | 2/28/13 |
|--|---------|---------|
| Corporate Bonds                        | 76%     | 73%     |
| Floating Rate Loan Interests           | 14      | 19      |
| Common Stocks                          | 7       | 6       |
| Preferred Securities                   | 2       | 2       |
| Asset-Backed Securities                | 1       |         |
| Credit Quality Allocation <sup>4</sup> | 8/31/13 | 2/28/13 |
| A                                      |         | 1%      |
| BBB/Baa                                | 4%      | 5       |
| BB/Ba                                  | 31      | 36      |
| B                                      | 51      | 45      |
| CCC/Caa                                | 12      | 10      |
| Not Rated                              | 2       | 3       |

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<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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**Fund Summary** as of August 31, 2013

**BlackRock Debt Strategies Fund, Inc.**

**Fund Overview**

BlackRock Debt Strategies Fund, Inc.'s (DSU) (the Fund) primary investment objective is to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, which are rated in the lower rating categories of the established rating services (BBB or lower by S&P's or Baa or lower by Moody's) or unrated debt instruments, which are in the judgment of the investment adviser of equivalent quality. The Fund's secondary objective is to provide capital appreciation. Corporate loans include senior and subordinated corporate loans, both secured and unsecured. The Fund may invest directly in such securities or synthetically through the use of derivatives.

On July 19, 2013, the Board of the Fund approved the reorganization of the Fund with each of BlackRock Senior High Income Fund, Inc. and BlackRock Strategic Bond Trust, with the Fund continuing as the surviving fund after the reorganizations. On October 25, 2013, the shareholders of the Fund, BlackRock Senior High Income Fund, Inc. and BlackRock Strategic Bond Trust approved their respective reorganizations, which is expected to be completed in late 2013. In connection with the Funds' reorganizations, the Board of the Fund also approved an increase in the amount of the Fund's authorized shares by 200 million shares.

No assurance can be given that the Fund's investment objectives will be achieved.

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended August 31, 2013, the Fund returned (8.31)% based on market price and 2.37% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (6.67)% based on market price and 1.46% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Fund benefited from a tactical allocation to equities, which rallied during the period. In fixed income, selection in the chemicals, gaming and consumer service industries boosted results.

Detracting from performance was the Fund's exposure to issuers in the independent energy, electric and wireless industries. Within floating rate loan interests (bank loans), holding limited exposure to lower-quality assets resulted in an opportunity cost to the Fund as this segment of the market outperformed higher-quality issues.

**Describe recent portfolio activity.**

Fund management continued to maintain a positive view on high yield and bank loan assets overall, while remaining focused on income-oriented credits with strong asset bases and good earnings visibility. Within the bank loan space, the Fund continued to prefer

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higher-quality, more liquid assets with attractive coupon rates. In high yield bonds, the Fund remained anchored in companies with more stable cash flows, but allowed some risk in companies with positive growth catalysts. Additionally, the Fund continued to find value in select equity and equity-like investments that provide upside potential to enhance total return. Over the six-month period, the Fund increased exposure to the technology and automotive industries, while decreasing risk within independent energy.

### **Describe portfolio positioning at period end.**

At period end, the Fund held 54% of its total portfolio in floating rate loan interests, 42% in corporate bonds, with the remainder invested in asset-backed securities and common stocks. The Fund's highest-conviction holdings included HD Supply, Inc. (building materials), Federal-Mogul Corp. (automotive) and Level 3 Financing, Inc. (wirelines).

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.



**Table of Contents****BlackRock Debt Strategies Fund, Inc.****Fund Information**

|   |                |
|---|----------------|
| Symbol on NYSE  | DSU            |
| Initial Offering Date   | March 27, 1998 |
| Current Distribution Rate on Closing Market Price as of August 31, 2013 (\$3.94) <sup>1</sup> | 7.61%          |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.025        |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.300        |
| Economic Leverage as of August 31, 2013 <sup>3</sup>  | 28%            |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

**Market Price and Net Asset Value Per Share Summary**

|                 | 8/31/13 | 2/28/13 | Change   | High   | Low    |
|-----------------|---------|---------|----------|--------|--------|
| Market Price    | \$3.94  | \$4.46  | (11.66)% | \$4.65 | \$3.85 |
| Net Asset Value | \$4.32  | \$4.38  | (1.37)%  | \$4.51 | \$4.27 |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

| Portfolio Composition        | 8/31/13 | 2/28/13 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 54%     | 53%     |
| Corporate Bonds              | 42      | 41      |
| Asset-Backed Securities      | 2       | 3       |
| Common Stocks                | 2       | 2       |
| Other Interests              |         | 1       |

| Credit Quality Allocation <sup>4</sup> | 8/31/13 | 2/28/13 |
|--|---------|---------|
| A                                      | 1%      | 1%      |
| BBB/Baa                                | 3       | 6       |
| BB/Ba                                  | 29      | 34      |
| B                                      | 53      | 45      |
| CCC/Caa                                | 10      | 10      |

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Not Rated

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<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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**Fund Summary** as of August 31, 2013

**BlackRock Senior High Income Fund, Inc.**

**Fund Overview**

BlackRock Senior High Income Fund, Inc. s (ARK) (the Fund ) investment objective is to provide high current income by investing principally in senior debt obligations of companies, including corporate loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes. The Fund may invest directly in such securities or synthetically through the use of derivatives.

On July 19, 2013, the Board of the Fund approved the reorganization of the Fund with BlackRock Debt Strategies Fund, Inc., with BlackRock Debt Strategies Fund, Inc. continuing as the surviving fund after the reorganization. On October 25, 2013, the shareholders of the Fund and BlackRock Debt Strategies Fund, Inc. approved the reorganization, which is expected to be completed in late 2013.

No assurance can be given that the Fund s investment objective will be achieved.

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended August 31, 2013, the Fund returned (6.93)% based on market price and 1.91% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of (6.67)% based on market price and 1.46% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Fund benefited from a tactical allocation to equities, which rallied during the period. In fixed income, selection in the chemicals, metals and healthcare industries boosted results.

Detracting from performance was the Fund s exposure to issuers in the media non cable, electric and wireless industries. Within floating rate loan interests (bank loans), holding limited exposure to lower-quality assets resulted in an opportunity cost to the Fund as this segment of the market outperformed higher-quality issues.

**Describe recent portfolio activity.**

Fund management continued to maintain a positive view on high yield and bank loan assets overall, while remaining focused on income-oriented credits with strong asset bases and good earnings visibility. Within the bank loan space, the Fund continued to prefer higher-quality, more liquid assets with attractive coupon rates. In high yield bonds, the Fund remained anchored in companies with more stable cash flows, but allowed some risk in companies with positive growth catalysts. Additionally, the Fund continued to find value in select equity and equity-like investments that provide upside potential to enhance total return. Over the six-month period, the Fund increased exposure to the consumer services and food & beverage industries, while decreasing risk within independent energy.

**Describe portfolio positioning at period end.**

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At period end, the Fund held 56% of its total portfolio in floating rate loan interests, 40% in corporate bonds, with the remainder invested in asset-backed securities, common stocks and preferred securities. The Fund's highest-conviction holdings included HD Supply, Inc. (building materials), Intelsat Jackson Holdings SA (media non cable) and Level 3 Financing, Inc. (wirelines).

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

**Table of Contents****BlackRock Senior High Income Fund, Inc.****Fund Information**

|   |                |
|---|----------------|
| Symbol on NYSE  | ARK            |
| Initial Offering Date   | April 30, 1993 |
| Current Distribution Rate on Closing Market Price as of August 31, 2013 (\$3.90) <sup>1</sup> | 7.38%          |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.024        |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.288        |
| Economic Leverage as of August 31, 2013 <sup>3</sup>  | 26%            |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

**Market Price and Net Asset Value Per Share Summary**

|                 | 8/31/13 | 2/28/13 | Change   | High   | Low    |
|-----------------|---------|---------|----------|--------|--------|
| Market Price    | \$3.90  | \$4.34  | (10.14)% | \$4.78 | \$3.84 |
| Net Asset Value | \$4.28  | \$4.35  | (1.61)%  | \$4.47 | \$4.23 |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Fund's Long-Term Investments**

| Portfolio Composition                  | 8/31/13 | 2/28/13 |
|--|---------|---------|
| Floating Rate Loan Interests           | 56%     | 54%     |
| Corporate Bonds                        | 40      | 42      |
| Asset-Backed Securities                | 2       | 3       |
| Common Stocks                          | 1       | 1       |
| Preferred Securities                   | 1       |         |
| Credit Quality Allocation <sup>4</sup> | 8/31/13 | 2/28/13 |
| A                                      | 1%      | 1%      |
| BBB/Baa                                | 3       | 7       |
| BB/Ba                                  | 35      | 37      |
| B                                      | 56      | 51      |

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|           |   |   |
|-----------|---|---|
| CCC/Caa   | 1 | 1 |
| Not Rated | 4 | 3 |

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

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**The Benefits and Risks of Leveraging**

The Funds may utilize leverage to seek to enhance the yield and NAV of their common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage through a credit facility. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund s shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund s capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Fund s long-term investments, and therefore the Fund s shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund s total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds NAVs positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds NAVs, market prices and dividend rates than comparable portfolios without leverage. 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, each Fund s net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund s ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Funds are permitted to issue senior securities representing indebtedness up to 33 1/3% of their total managed assets (each Fund s net assets plus the proceeds of any outstanding borrowings). In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of August 31, 2013, the Funds had aggregate economic leverage from borrowings through a credit facility as a percentage of their total managed assets as follows:

|     | <b>Percent of<br/>Economic<br/>Leverage</b> |
|-----|---|
| COY | 29%   |
| CYE | 29%   |

|     |     |
|-----|-----|
| DSU | 28% |
| ARK | 26% |

## Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 4 of the Notes to Consolidated Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments** August 31, 2013 (Unaudited) **BlackRock Corporate High Yield Fund, Inc. (COY)**

(Percentages shown are based on Net Assets)

| <b>Asset-Backed Securities</b>                       | <b>Par<br/>(000)</b> | <b>Value</b>     |
|--|----------------------|------------------|
| <b>ALM Loan Funding (a)(b)(c):</b>                   |                      |                  |
| Series 2013-7R2A, Class B, 2.86%, 4/24/24            | USD 375              | \$ 358,126       |
| Series 2013-7RA, Class C, 3.71%, 4/24/24             | 1,000                | 943,800          |
| Series 2013-7RA, Class D, 5.26%, 4/24/24             | 450                  | 413,325          |
| <b>Total Asset-Backed Securities 0.6%</b>            |                      | <b>1,715,251</b> |
| <b>Common Stocks</b>                                 | <b>Shares</b>        |                  |
| <b>Auto Components 0.8%</b>                          |                      |                  |
| Dana Holding Corp.                                   | 5,718                | 119,849          |
| Delphi Automotive PLC                                | 8,200                | 451,164          |
| The Goodyear Tire & Rubber Co. (d)                   | 77,979               | 1,568,938        |
|  |                      | 2,139,951        |
| <b>Automobiles 1.5%</b>                              |                      |                  |
| General Motors Co. (d)                               | 115,397              | 3,932,730        |
| <b>Biotechnology 0.0%</b>                            |                      |                  |
| Ironwood Pharmaceuticals, Inc. (d)                   | 6,540                | 76,191           |
| <b>Capital Markets 1.9%</b>                          |                      |                  |
| American Capital Ltd. (d)                            | 341,246              | 4,258,750        |
| E*Trade Financial Corp. (d)                          | 44,900               | 630,396          |
| Uraniun Participation Corp. (d)                      | 33,680               | 155,402          |
|  |                      | 5,044,548        |
| <b>Chemicals 0.4%</b>                                |                      |                  |
| Advanced Emissions Solutions, Inc. (d)               | 6,170                | 240,938          |
| Huntsman Corp.                                       | 42,200               | 738,500          |
|  |                      | 979,438          |
| <b>Communications Equipment 0.3%</b>                 |                      |                  |
| Loral Space & Communications Ltd.                    | 11,463               | 757,819          |
| <b>Containers &amp; Packaging 0.0%</b>               |                      |                  |
| Smurfit Kappa Group PLC                              | 3,634                | 73,910           |
| <b>Diversified Financial Services 0.5%</b>           |                      |                  |
| Kcad Holdings I Ltd. (d)                             | 269,089,036          | 1,358,900        |
| <b>Diversified Telecommunication Services 0.3%</b>   |                      |                  |
| Broadview Networks Holdings, Inc. (d)                | 32,500               | 204,750          |
| Level 3 Communications, Inc. (d)                     | 20,920               | 467,771          |
|  |                      | 672,521          |
| <b>Electrical Equipment 0.0%</b>                     |                      |                  |
| Medis Technologies Ltd. (d)                          | 67,974               | 1                |
| <b>Energy Equipment &amp; Services 0.8%</b>          |                      |                  |
| Laricina Energy Ltd. (d)                             | 35,294               | 1,185,514        |
| Osum Oil Sands Corp. (d)                             | 74,000               | 890,135          |
|  |                      | 2,075,649        |
| <b>Hotels, Restaurants &amp; Leisure 0.8%</b>        |                      |                  |
| Caesars Entertainment Corp. (d)                      | 45,393               | 974,588          |
| <b>Common Stocks</b>                                 | <b>Shares</b>        | <b>Value</b>     |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b> |                      |                  |
| Pinnacle Entertainment, Inc. (d)                     | 8,176                | \$ 193,608       |
| Travelport LLC (d)(e)                                | 895,979              | 792,941          |

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|  |           |            |
|--|-----------|------------|
|  |           | 1,961,137  |
| <b>Insurance 0.7%</b>                                    |           |            |
| American International Group, Inc. (d)                   | 40,002    | 1,858,493  |
| <b>Media 0.2%</b>  |           |            |
| Cablevision Systems Corp., Class A                       | 30,253    | 536,386    |
| Clear Channel Outdoor Holdings, Inc., Class A (d)        | 8,934     | 67,541     |
|  |           | 603,927    |
| <b>Metals &amp; Mining 0.1%</b>                          |           |            |
| African Minerals Ltd. (d)                                | 40,400    | 119,284    |
| Peninsula Energy Ltd. (d)                                | 6,975,317 | 160,145    |
|  |           | 279,429    |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>              |           |            |
| African Petroleum Corp. Ltd. (d)                         | 180,300   | 19,257     |
| <b>Paper &amp; Forest Products 0.5%</b>                  |           |            |
| Ainsworth Lumber Co. Ltd. (d)                            | 146,558   | 403,511    |
| Ainsworth Lumber Co. Ltd. (a)(d)                         | 41,686    | 120,889    |
| NewPage Corp. (d)  | 7,740     | 619,200    |
| Western Forest Products, Inc. (d)                        | 147,968   | 199,757    |
| Western Forest Products, Inc.                            | 41,528    | 55,986     |
|  |           | 1,399,343  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |           |            |
| SunPower Corp. (d)                                       | 123       | 2,643      |
| <b>Software 0.2%</b>                                     |           |            |
| HMH Holdings/EduMedia (d)                                | 19,102    | 575,456    |
| <b>Trading Companies &amp; Distributors 0.3%</b>         |           |            |
| HD Supply Holdings, Inc. (d)                             | 39,100    | 889,134    |
| <b>Wireless Telecommunication Services 0.5%</b>          |           |            |
| Crown Castle International Corp. (d)                     | 9,634     | 668,792    |
| SBA Communications Corp., Class A (d)                    | 9,634     | 722,550    |
|  |           | 1,391,342  |
| <b>Total Common Stocks 9.8%</b>                          |           | 26,091,819 |

|  |     | Par<br>(000) |           |
|--|-----|--------------|-----------|
| <b>Corporate Bonds</b>                                     |     |              |           |
| <b>Aerospace &amp; Defense 0.7%</b>                        |     |              |           |
| Bombardier, Inc., 4.25%, 1/15/16 (a)                       | USD | 450          | 465,187   |
| Huntington Ingalls Industries, Inc.:                       |     |              |           |
| 6.88%, 3/15/18   |     | 145          | 156,238   |
| 7.13%, 3/15/21   |     | 235          | 253,800   |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 |     | 796          | 859,680   |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (a)           |     | 247          | 251,607   |
|  |     |              | 1,986,512 |

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Consolidated Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|                |   |
|----------------|---|
| <b>AUD</b>     | Australian Dollar                       |
| <b>CAD</b>     | Canadian Dollar                         |
| <b>DIP</b>     | Debtor-In-Possession                    |
| <b>EUR</b>     | Euro                                    |
| <b>GBP</b>     | British Pound                           |
| <b>S&amp;P</b> | Standard and Poor's                     |
| <b>SPDR</b>    | Standard and Poor's Depository Receipts |
| <b>USD</b>     | US Dollar                               |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Air Freight &amp; Logistics 0.2%</b>                                   |     |              |            |
| National Air Cargo Group, Inc.:   |     |              |            |
| Series 1, 12.38%, 9/02/15   | USD | 308          | \$ 308,330 |
| Series 2, 12.38%, 8/16/15   |     | 317          | 316,825    |
|   |     |              | 625,155    |
| <b>Airlines 2.3%</b>  |     |              |            |
| Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (a) |     | 371          | 369,739    |
| Continental Airlines Pass-Through Trust:                                  |     |              |            |
| Series 1997-4, Class B, 6.90%, 7/02/18                                    |     | 89           | 92,395     |
| Series 2010-1, Class B, 6.00%, 7/12/20                                    |     | 298          | 305,241    |
| Series 2012-3, Class C, 6.13%, 4/29/18                                    |     | 850          | 862,325    |
| Delta Air Lines Pass-Through Trust:                                       |     |              |            |
| Series 2002-1, Class G-1, 6.72%, 7/02/24                                  |     | 531          | 578,509    |
| Series 2009-1, Class B, 9.75%, 6/17/18                                    |     | 161          | 176,025    |
| Series 2010-1, Class B, 6.38%, 7/02/17                                    |     | 447          | 463,763    |
| US Airways Group, Inc., 6.13%, 6/01/18                                    |     | 305          | 276,788    |
| US Airways Pass-Through Trust:  |     |              |            |
| Series 2011-1, Class C, 10.88%, 10/22/14                                  |     | 421          | 444,422    |
| Series 2012-1, Class C, 9.13%, 10/01/15                                   |     | 390          | 405,292    |
| Series 2012-2, Class B, 6.75%, 12/03/22                                   |     | 300          | 309,750    |
| Series 2012-2, Class C, 5.45%, 6/03/18                                    |     | 1,045        | 974,462    |
| Series 2013-1, Class B, 5.38%, 5/15/23                                    |     | 875          | 831,250    |
|   |     |              | 6,089,961  |
| <b>Auto Components 3.0%</b>   |     |              |            |
| Affinia Group, Inc., 7.75%, 5/01/21 (a)                                   |     | 621          | 638,077    |
| Brighthouse Group PLC, 7.88%, 5/15/18                                     | GBP | 100          | 156,520    |
| Continental Rubber of America Corp., 4.50%, 9/15/19 (a)                   | USD | 150          | 151,575    |
| Dana Holding Corp., 6.75%, 2/15/21  |     | 410          | 435,112    |
| Delphi Corp., 6.13%, 5/15/21  |     | 65           | 71,013     |
| GKN Holdings PLC, 5.38%, 9/19/22  | GBP | 180          | 283,962    |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp., 8.00%, 1/15/18      | USD | 2,775        | 2,920,687  |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (a)                                   |     | 355          | 393,162    |
| Jaguar Land Rover Automotive PLC, 8.25%, 3/15/20                          | GBP | 439          | 753,793    |
| Schaeffler Finance BV, 4.25%, 5/15/18                                     | EUR | 121          | 159,952    |
| Schaeffler Holding Finance BV (f):  |     |              |            |
| 6.88%, 8/15/18 (a)  | USD | 450          | 468,000    |
| 6.88%, 8/15/18  | EUR | 310          | 420,979    |
| Servus Luxembourg Holdings SCA, 7.75%, 6/15/18                            |     | 200          | 268,348    |
| Titan International, Inc.:  |     |              |            |
| 7.88%, 10/01/17   | USD | 430          | 455,800    |
| 7.88%, 10/01/17 (a)   |     | 455          | 482,300    |
|   |     |              | 8,059,280  |
| <b>Building Products 1.5%</b>   |     |              |            |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (a)      |     | 425          | 412,250    |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (a)                            |     | 372          | 372,000    |
| Building Materials Corp. of America (a):                                  |     |              |            |
| 7.00%, 2/15/20  |     | 500          | 531,250    |
| 6.75%, 5/01/21  |     | 710          | 752,600    |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)                                       |     | 210          | 198,975    |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                    |     | 700          | 726,250    |
| Texas Industries, Inc., 9.25%, 8/15/20                                    |     | 215          | 234,888    |
| USG Corp., 9.75%, 1/15/18   |     | 645          | 743,362    |

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|  |     |       |            |
|--|-----|-------|------------|
|  |     |       | 3,971,575  |
| <b>Capital Markets 0.3%</b>  |     |       |            |
| E*Trade Financial Corp., 0.00%, 8/31/19 (g)(h)                           |     | 226   | 306,795    |
| <b>Capital Markets (concluded)</b>                                       |     |       |            |
| KCG Holdings, Inc., 8.25%, 6/15/18 (a)                                   | USD | 209   | \$ 205,342 |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (a)                            |     | 194   | 191,090    |
|  |     |       | 703,227    |
| <b>Chemicals 2.0%</b>  |     |       |            |
| Axiall Corp., 4.88%, 5/15/23 (a)   |     | 99    | 91,823     |
| Basell Finance Co. BV, 8.10%, 3/15/27 (a)                                |     | 380   | 480,574    |
| Celanese US Holdings LLC, 5.88%, 6/15/21                                 |     | 668   | 684,700    |
| Huntsman International LLC, 8.63%, 3/15/21                               |     | 155   | 172,825    |
| INEOS Finance PLC, 7.50%, 5/01/20 (a)                                    |     | 405   | 433,350    |
| INEOS Group Holdings SA:   |     |       |            |
| 6.13%, 8/15/18 (a)   |     | 275   | 266,062    |
| 6.50%, 8/15/18   | EUR | 261   | 335,327    |
| Kraton Polymers LLC/Kraton Polymers Capital Corp., 6.75%, 3/01/19        | USD | 115   | 116,725    |
| LSB Industries, Inc., 7.75%, 8/01/19 (a)                                 |     | 219   | 226,665    |
| Nexo Solutions LLC/Nexo Solutions Finance Corp., 8.38%, 3/01/18          |     | 85    | 84,575     |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)                               |     | 205   | 205,000    |
| Orion Engineered Carbons Bondco GmbH, 10.00%, 6/15/18                    | EUR | 315   | 464,717    |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (a)       | USD | 157   | 151,897    |
| PolyOne Corp., 7.38%, 9/15/20  |     | 200   | 220,500    |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20                        |     | 858   | 842,985    |
| Tronox Finance LLC, 6.38%, 8/15/20 (a)                                   |     | 228   | 217,740    |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV: |     |       |            |
| 5.75%, 2/01/21   | EUR | 100   | 130,513    |
| 7.38%, 5/01/21(a)  | USD | 328   | 335,380    |
|  |     |       | 5,461,358  |
| <b>Commercial Banks 1.1%</b>   |     |       |            |
| CIT Group, Inc.:   |     |       |            |
| 5.25%, 3/15/18   |     | 510   | 526,575    |
| 6.63%, 4/01/18 (a)   |     | 215   | 232,200    |
| 5.50%, 2/15/19 (a)   |     | 1,511 | 1,548,775  |
| 6.00%, 4/01/36   |     | 500   | 478,618    |
| Lloyds TSB Bank PLC, 11.88%, 12/16/21 (c)                                | EUR | 40    | 65,025     |
|  |     |       | 2,851,193  |
| <b>Commercial Services &amp; Supplies 3.6%</b>                           |     |       |            |
| AA Bond Co. Ltd., 9.50%, 7/31/43   | GBP | 160   | 264,689    |
| ACCO Brands Corp., 6.75%, 4/30/20  | USD | 71    | 70,113     |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (a)                            |     | 256   | 270,080    |
| ARAMARK Corp., 5.75%, 3/15/20 (a)  |     | 596   | 607,920    |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (a)                         |     | 500   | 526,506    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)                       |     | 24    | 25,710     |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18                         |     | 466   | 471,825    |
| Covanta Holding Corp., 6.38%, 10/01/22                                   |     | 585   | 593,598    |
| EC Finance PLC, 9.75%, 8/01/17   | EUR | 451   | 649,650    |
| Interactive Data Corp., 10.25%, 8/01/18                                  |     | 1,235 | 1,375,543  |
| Mobile Mini, Inc., 7.88%, 12/01/20                                       | USD | 335   | 365,150    |
| Mustang Merger Corp., 8.50%, 8/15/21 (a)                                 |     | 485   | 477,725    |
| TransUnion LLC/TransUnion Financing Corp., 11.38%, 6/15/18               |     | 59    | 65,638     |
| UR Merger Sub Corp.:   |     |       |            |
| 5.75%, 7/15/18   |     | 236   | 251,930    |
| 7.38%, 5/15/20   |     | 315   | 339,412    |
| 8.25%, 2/01/21   |     | 429   | 474,045    |
| 7.63%, 4/15/22   |     | 2,045 | 2,198,375  |
| 6.13%, 6/15/23   |     | 175   | 172,375    |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Commercial Services &amp; Supplies (concluded)</b>             |     |              |            |
| Verisure Holding AB:  |     |              |            |
| 8.75%, 9/01/18  | EUR | 169          | \$ 244,578 |
| 8.75%, 12/01/18   |     | 100          | 139,764    |
| West Corp., 8.63%, 10/01/18                                       | USD | 125          | 135,313    |
|   |     |              | 9,719,939  |
| <b>Communications Equipment 1.7%</b>                              |     |              |            |
| Alcatel-Lucent USA, Inc.:   |     |              |            |
| 8.88%, 1/01/20 (a)  |     | 805          | 821,100    |
| 6.50%, 1/15/28  |     | 55           | 41,800     |
| 6.45%, 3/15/29  |     | 169          | 130,130    |
| Avaya, Inc. (a):  |     |              |            |
| 7.00%, 4/01/19  |     | 250          | 228,750    |
| 10.50%, 3/01/21   |     | 740          | 571,650    |
| CommScope Holding Co., Inc., 6.63%, 6/01/20 (a)(f)                |     | 440          | 435,600    |
| Zayo Group LLC/Zayo Capital, Inc.:                                |     |              |            |
| 8.13%, 1/01/20  |     | 830          | 900,550    |
| 10.13%, 7/01/20   |     | 1,355        | 1,537,925  |
|   |     |              | 4,667,505  |
| <b>Computers &amp; Peripherals 0.1%</b>                           |     |              |            |
| EMC Corp., Series B, 1.75%, 12/01/13 (g)                          |     | 186          | 298,646    |
| <b>Construction &amp; Engineering 0.4%</b>                        |     |              |            |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (a)       |     |              |            |
|   |     | 175          | 141,750    |
| H&E Equipment Services, Inc., 7.00%, 9/01/22                      |     |              |            |
|   |     | 408          | 433,500    |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (a) |     |              |            |
|   |     | 214          | 215,070    |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23 (a)       |     |              |            |
|   |     | 143          | 138,710    |
|   |     |              | 929,030    |
| <b>Construction Materials 3.4%</b>                                |     |              |            |
| Buzzi Unicem SpA, 6.25%, 9/28/18                                  |     |              |            |
|   | EUR | 126          | 177,349    |
| HD Supply, Inc.:  |     |              |            |
| 8.13%, 4/15/19  | USD | 3,072        | 3,417,600  |
| 11.00%, 4/15/20   |     | 1,798        | 2,148,610  |
| 7.50%, 7/15/20 (a)  |     | 3,170        | 3,312,650  |
| HeidelbergCement Finance Luxembourg SA, 7.50%, 4/03/20            |     |              |            |
|   | EUR | 51           | 79,537     |
|   |     |              | 9,135,746  |
| <b>Consumer Finance 0.6%</b>                                      |     |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                           |     |              |            |
|   | USD | 435          | 464,362    |
| Ford Motor Credit Co. LLC:  |     |              |            |
| 12.00%, 5/15/15   |     | 670          | 781,485    |
| 6.63%, 8/15/17  |     | 131          | 147,927    |
| IVS F. SpA, 7.13%, 4/01/20  |     |              |            |
|   | EUR | 195          | 257,077    |
|   |     |              | 1,650,851  |
| <b>Containers &amp; Packaging 1.6%</b>                            |     |              |            |
| Ardagh Packaging Finance PLC:                                     |     |              |            |
| 7.38%, 10/15/17   |     | 100          | 140,690    |
| 9.13%, 10/15/20 (a)   | USD | 409          | 436,607    |
| 9.13%, 10/15/20 (a)   |     | 365          | 387,813    |
| 7.00%, 11/15/20 (a)   |     | 230          | 223,675    |
| 5.00%, 11/15/22   | EUR | 200          | 255,253    |
| Berry Plastics Corp., 9.75%, 1/15/21                              |     |              |            |
|   | USD | 170          | 196,775    |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16     |     |              |            |
|   | EUR | 617          | 815,491    |

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|  |     |       |              |
|--|-----|-------|--------------|
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21            | USD | 15    | 15,750       |
| GCL Holdings SCA, 9.38%, 4/15/18 (a)   | EUR | 244   | 348,281      |
| Graphic Packaging International, Inc., 7.88%, 10/01/18                         | USD | 340   | 369,750      |
| OI European Group BV, 4.88%, 3/31/21   | EUR | 301   | 401,715      |
| Pactiv LLC, 7.95%, 12/15/25  | USD | 431   | 381,435      |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (a)   |     | 367   | 411,040      |
|  |     |       | 4,384,275    |
| <b>Distributors 0.5%</b>   |     |       |              |
| VWR Funding, Inc., 7.25%, 9/15/17  | USD | 1,260 | \$ 1,310,400 |
| <b>Diversified Consumer Services 1.0%</b>                                      |     |       |              |
| APX Group, Inc. (a):   |     |       |              |
| 6.38%, 12/01/19  |     | 903   | 851,077      |
| 8.75%, 12/01/20  |     | 547   | 538,795      |
| Laureate Education, Inc., 9.25%, 9/01/19 (a)                                   |     | 1,145 | 1,236,600    |
|  |     |       | 2,626,472    |
| <b>Diversified Financial Services 5.6%</b>                                     |     |       |              |
| Aircastle Ltd.:  |     |       |              |
| 6.75%, 4/15/17   |     | 345   | 365,700      |
| 6.25%, 12/01/19  |     | 295   | 307,537      |
| Ally Financial, Inc.:  |     |       |              |
| 7.50%, 12/31/13  |     | 350   | 356,125      |
| 8.00%, 3/15/20   |     | 276   | 317,745      |
| 7.50%, 9/15/20   |     | 186   | 209,250      |
| 8.00%, 11/01/31  |     | 3,165 | 3,639,750    |
| 8.00%, 11/01/31  |     | 201   | 227,884      |
| CNG Holdings, Inc., 9.38%, 5/15/20 (a)   |     | 116   | 108,750      |
| Co-Operative Group Ltd. (i):   |     |       |              |
| 6.88%, 7/08/20   | GBP | 160   | 234,935      |
| 7.50%, 7/08/26   |     | 100   | 144,897      |
| DPL, Inc.:   |     |       |              |
| 6.50%, 10/15/16  | USD | 298   | 314,390      |
| 7.25%, 10/15/21  |     | 777   | 792,540      |
| Gala Group Finance PLC, 8.88%, 9/01/18   | GBP | 600   | 990,259      |
| General Motors Financial Co., Inc.:  |     |       |              |
| 6.75%, 6/01/18   | USD | 270   | 300,713      |
| 4.25%, 5/15/23(a)  |     | 228   | 205,200      |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (a)                 |     | 465   | 460,350      |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (a)                   |     | 660   | 648,450      |
| Leucadia National Corp., 8.13%, 9/15/15  |     | 790   | 880,850      |
| Reynolds Group Issuer, Inc.:   |     |       |              |
| 7.13%, 4/15/19   |     | 430   | 457,412      |
| 9.00%, 4/15/19   |     | 535   | 552,387      |
| 7.88%, 8/15/19   |     | 100   | 110,000      |
| 9.88%, 8/15/19   |     | 430   | 456,875      |
| 5.75%, 10/15/20  |     | 2,075 | 2,056,844    |
| WMG Acquisition Corp., 11.50%, 10/01/18  |     | 702   | 809,055      |
|  |     |       | 14,947,898   |
| <b>Diversified Telecommunication Services 3.3%</b>                             |     |       |              |
| Broadview Networks Holdings, Inc., 10.50%, 11/15/17                            |     | 500   | 495,000      |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                    |     | 1,272 | 1,246,560    |
| Cequel Communications Holdings I LLC/Cequel Capital Corp., 5.13%, 12/15/21 (a) |     | 390   | 358,800      |
| Consolidated Communications Finance Co., 10.88%, 6/01/20                       |     | 320   | 368,000      |
| Frontier Communications Corp., 8.50%, 4/15/20                                  |     | 485   | 529,862      |
| Level 3 Communications, Inc., 8.88%, 6/01/19                                   |     | 295   | 314,912      |
| Level 3 Financing, Inc.:   |     |       |              |
| 8.13%, 7/01/19   |     | 1,417 | 1,498,477    |
| 7.00%, 6/01/20   |     | 395   | 397,962      |
| 8.63%, 7/15/20   |     | 1,604 | 1,716,280    |
| Telenet Finance V Luxembourg SCA:  |     |       |              |
| 6.25%, 8/15/22   | EUR | 237   | 314,171      |
| 6.75%, 8/15/24   |     | 350   | 468,360      |
| tw telecom holdings, Inc.:   |     |       |              |
| 5.38%, 10/01/22  | USD | 275   | 261,938      |
| 5.38%, 10/01/22 (a)  |     | 235   | 223,838      |
| Windstream Corp.:  |     |       |              |



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|                 |     |           |
|-----------------|-----|-----------|
| 7.88%, 11/01/17 | 360 | 399,600   |
| 7.75%, 10/15/20 | 144 | 147,240   |
| 6.38%, 8/01/23  | 220 | 198,825   |
|                 |     | 8,939,825 |

See Notes to Consolidated Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2013

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

(Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Electric Utilities 0.6%</b>  |     |                      |              |
| Homer City Generation LP (f):   |     |                      |              |
| 8.14%, 10/01/19   | USD | 140                  | \$ 140,700   |
| 8.73%, 10/01/26   |     | 205                  | 208,075      |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17                  |     | 214                  | 224,536      |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14                                | EUR | 800                  | 1,055,455    |
|   |     |                      | 1,628,766    |
| <b>Electrical Equipment 0.9%</b>  |     |                      |              |
| Belden, Inc.:   |     |                      |              |
| 5.50%, 9/01/22 (a)  |     | 340                  | 329,800      |
| 5.50%, 4/15/23  |     | 110                  | 139,566      |
| General Cable Corp., 5.75%, 10/01/22 (a)  | USD | 560                  | 539,000      |
| International Wire Group Holdings, Inc., 8.50%, 10/15/17 (a)                      |     | 257                  | 267,280      |
| Rexel SA, 5.13%, 6/15/20  | EUR | 339                  | 454,760      |
| Techem GmbH, 6.13%, 10/01/19  |     | 300                  | 425,891      |
| Trionista TopCo GmbH, 6.88%, 4/30/21  |     | 100                  | 133,492      |
|   |     |                      | 2,289,789    |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b>                    |     |                      |              |
| Jabil Circuit, Inc., 8.25%, 3/15/18   | USD | 215                  | 253,163      |
| <b>Energy Equipment &amp; Services 3.7%</b>                                       |     |                      |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20   |     | 130                  | 139,100      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)  |     | 306                  | 308,295      |
| CGG:  |     |                      |              |
| 6.50%, 6/01/21  |     | 1,150                | 1,164,375    |
| 7.75%, 5/15/17  |     | 235                  | 240,875      |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) |     | 612                  | 653,310      |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21                    |     | 47                   | 46,295       |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22   |     | 145                  | 146,813      |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                                  |     | 290                  | 293,625      |
| MEG Energy Corp., 6.50%, 3/15/21 (a)  |     | 1,309                | 1,331,907    |
| Oil States International, Inc.:   |     |                      |              |
| 6.50%, 6/01/19  |     | 611                  | 644,605      |
| 5.13%, 1/15/23 (a)  |     | 315                  | 344,137      |
| Parker Drilling Co., 7.50%, 8/01/20 (a)   |     | 360                  | 353,700      |
| Peabody Energy Corp.:   |     |                      |              |
| 6.00%, 11/15/18   |     | 619                  | 615,905      |
| 6.25%, 11/15/21   |     | 611                  | 589,615      |
| 7.88%, 11/01/26   |     | 345                  | 344,138      |
| 4.75%, 12/15/41 (g)   |     | 392                  | 303,310      |
| Precision Drilling Corp.:   |     |                      |              |
| 6.63%, 11/15/20   |     | 70                   | 73,675       |
| 6.50%, 12/15/21   |     | 165                  | 172,425      |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (a)                          |     | 214                  | 214,000      |
| Seadrill Ltd., 5.63%, 9/15/17 (a)   |     | 1,254                | 1,263,405    |
| Tervita Corp., 8.00%, 11/15/18 (a)  |     | 252                  | 251,370      |
| Trionista Holdco GmbH, 5.00%, 4/30/20   | EUR | 302                  | 403,130      |
|   |     |                      | 9,898,010    |
| <b>Food &amp; Staples Retailing 0.6%</b>  |     |                      |              |
| Bakkavor Finance 2 PLC:   |     |                      |              |
| 8.25%, 2/15/18  | GBP | 213                  | 344,115      |
| 8.75%, 6/15/20  |     | 200                  | 323,887      |
| R&R Ice Cream PLC, 9.25%, 5/15/18 (f)   | EUR | 100                  | 135,469      |
| Rite Aid Corp.:   |     |                      |              |

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|   |     |       |           |
|---|-----|-------|-----------|
| 9.25%, 3/15/20  |     | 345   | 390,281   |
| 6.75%, 6/15/21 (a)  | USD | 379   | 383,738   |
| Zobebe Holding SpA, 7.88%, 2/01/18  | EUR | 100   | 137,452   |
|   |     |       | 1,714,942 |
| <b>Food Products 0.9%</b>   |     |       |           |
| Darling International, Inc., 8.50%, 12/15/18                                | USD | 105   | 115,500   |
| <b>Findus Bondco SA:</b>  |     |       |           |
| 9.13%, 7/01/18  | EUR | 153   | 212,849   |
| 9.50%, 7/01/18  | GBP | 100   | 162,579   |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 4.88%, 5/01/21 (a) | USD | 360   | 334,800   |
| Post Holdings, Inc., 7.38%, 2/15/22   |     | 530   | 559,150   |
| Smithfield Foods, Inc., 6.63%, 8/15/22                                      |     | 431   | 441,775   |
| <b>Sun Merger Sub, Inc. (a):</b>  |     |       |           |
| 5.25%, 8/01/18  |     | 515   | 516,931   |
| 5.88%, 8/01/21  |     | 161   | 160,598   |
|   |     |       | 2,504,182 |
| <b>Health Care Equipment &amp; Supplies 2.3%</b>                            |     |       |           |
| <b>Biomet, Inc.:</b>  |     |       |           |
| 6.50%, 8/01/20  |     | 1,644 | 1,685,100 |
| 6.50%, 10/01/20   |     | 1,900 | 1,895,250 |
| <b>DJO Finance LLC/DJO Finance Corp.:</b>                                   |     |       |           |
| 8.75%, 3/15/18  |     | 350   | 378,875   |
| 7.75%, 4/15/18  |     | 95    | 93,338    |
| 9.88%, 4/15/18  |     | 540   | 567,000   |
| Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (a)                 |     | 260   | 265,200   |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)                           |     | 500   | 556,875   |
| IDH Finance PLC, 6.00%, 12/01/18  | GBP | 103   | 159,220   |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19                      | USD | 212   | 220,745   |
| Teleflex, Inc., 6.88%, 6/01/19  |     | 270   | 283,500   |
|   |     |       | 6,105,103 |
| <b>Health Care Providers &amp; Services 5.6%</b>                            |     |       |           |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19 |     | 520   | 556,400   |
| <b>CHS/Community Health Systems, Inc.:</b>                                  |     |       |           |
| 5.13%, 8/15/18  |     | 785   | 802,662   |
| 8.00%, 11/15/19   |     | 98    | 102,900   |
| 7.13%, 7/15/20  |     | 637   | 643,370   |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)                               | EUR | 300   | 422,267   |
| <b>Crown Newco 3 PLC:</b>   |     |       |           |
| 7.00%, 2/15/18  | GBP | 100   | 158,224   |
| 7.00%, 2/15/18 (a)  |     | 331   | 523,723   |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22                            | USD | 819   | 810,810   |
| HCA Holdings, Inc., 6.25%, 2/15/21  |     | 670   | 671,675   |
| <b>HCA, Inc.:</b>   |     |       |           |
| 8.50%, 4/15/19  |     | 120   | 129,600   |
| 6.50%, 2/15/20  |     | 1,345 | 1,444,194 |
| 7.88%, 2/15/20  |     | 255   | 275,081   |
| 7.25%, 9/15/20  |     | 1,095 | 1,192,181 |
| 5.88%, 3/15/22  |     | 540   | 557,550   |
| 4.75%, 5/01/23  |     | 363   | 338,951   |
| Health Management Associates, Inc., 7.38%, 1/15/20                          |     | 190   | 212,325   |
| Hologic, Inc., 6.25%, 8/01/20   |     | 1,125 | 1,172,812 |
| IASIS Healthcare LLC/IASIS Capital Corp., 8.38%, 5/15/19                    |     | 87    | 91,133    |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a)                                   |     | 580   | 591,600   |
| <b>Omnicare, Inc.:</b>  |     |       |           |
| 7.75%, 6/01/20  |     | 0.00  | 0.00      |
| 3.75%, 4/01/42 (g)  |     | 268   | 371,348   |
| Symbion, Inc., 8.00%, 6/15/16   |     | 315   | 330,750   |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Health Care Providers &amp; Services (concluded)</b>                                     |     |              |              |
| Tenet Healthcare Corp.:   |     |              |              |
| 6.25%, 11/01/18   | USD | 1,080        | \$ 1,140,750 |
| 6.75%, 2/01/20  |     | 480          | 470,400      |
| 4.38%, 10/01/21 (a)   |     | 701          | 636,158      |
| Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc., 7.75%, 2/01/19            |     | 992          | 1,061,440    |
| Voyage Care Bondco PLC, 6.50%, 8/01/18  | GBP | 110          | 169,274      |
|   |     |              | 14,877,578   |
| <b>Health Care Technology 1.0%</b>  |     |              |              |
| IMS Health, Inc. (a):   |     |              |              |
| 12.50%, 3/01/18   |     | 2,065        | 2,436,700    |
| 6.00%, 11/01/20   | USD | 132          | 135,465      |
|   |     |              | 2,572,165    |
| <b>Hotels, Restaurants &amp; Leisure 3.2%</b>   |     |              |              |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (a)   |     |              |              |
|   |     | 295          | 299,425      |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18   | EUR | 453          | 607,688      |
| Diamond Resorts Corp., 12.00%, 8/15/18  | USD | 1,232        | 1,367,520    |
| Enterprise Inns PLC, 6.50%, 12/06/18  | GBP | 296          | 459,858      |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19   | EUR | 361          | 489,044      |
| Intralot Finance Luxembourg SA, 9.75%, 8/15/18  |     | 400          | 547,163      |
| Isle of Capri Casinos, Inc.:  |     |              |              |
| 7.75%, 3/15/19  | USD | 45           | 46,463       |
| 5.88%, 3/15/21  |     | 201          | 185,925      |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)                              |     | 270          | 264,600      |
| MCE Finance Ltd., 5.00%, 2/15/21 (a)  |     | 620          | 568,850      |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (f)   |     | 256          | 269,737      |
| Playa Resorts Holding BV, 8.00%, 8/15/20 (a)  |     | 150          | 153,000      |
| PNK Finance Corp., 6.38%, 8/01/21 (a)   |     | 474          | 472,815      |
| Regal Entertainment Group, 5.75%, 2/01/25   |     | 80           | 73,600       |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)   |     | 547          | 516,915      |
| Station Casinos LLC, 7.50%, 3/01/21   |     | 1,298        | 1,336,940    |
| Travelport LLC/Travelport Holdings, Inc. (a):   |     |              |              |
| 6.40%, 3/01/16 (c)  |     | 82           | 79,453       |
| 11.88%, 9/01/16   |     | 31           | 30,155       |
| Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/14 (d)(e)                 |     | 315          |              |
| The Unique Pub Finance Co. PLC, Series A3, 6.54%, 3/30/21                                   | GBP | 300          | 468,397      |
| Vougeot Bidco PLC, 7.88%, 7/15/20   |     | 203          | 323,240      |
| Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.38%, 3/15/22                             | USD | 70           | 69,125       |
|   |     |              | 8,629,913    |
| <b>Household Durables 2.6%</b>  |     |              |              |
| Algeco Scotsman Global Finance PLC, 9.00%, 10/15/18   |     |              |              |
|   | EUR | 100          | 136,460      |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (a)                         | USD | 210          | 207,900      |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  |     | 30           | 31,613       |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a)                                |     | 375          | 383,437      |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (a) |     | 267          | 263,663      |
| Jarden Corp., 7.50%, 1/15/20  | EUR | 285          | 397,410      |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (a)   | USD | 870          | 917,850      |
| Libbey Glass, Inc., 6.88%, 5/15/20  |     | 264          | 282,150      |
| Pulte Group, Inc., 6.38%, 5/15/33   |     | 175          | 156,625      |
| RPG Byty Sro, 6.75%, 5/01/20  | EUR | 180          | 229,571      |
| The Ryland Group, Inc., 6.63%, 5/01/20  | USD | 315          | 326,812      |
| <b>Household Durables (concluded)</b>   |     |              |              |
| Spie BondCo 3 SCA, 11.00%, 8/15/19  | EUR | 276          | 406,725      |

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|   |     |       |            |
|---|-----|-------|------------|
| <b>Standard Pacific Corp.:</b>  |     |       |            |
| 10.75%, 9/15/16   | USD | 1,185 | 1,407,187  |
| 8.38%, 1/15/21  |     | 880   | 985,600    |
| <b>Taylor Morrison Communities, Inc./Monarch Communities, Inc. (a):</b> |     |       |            |
| 7.75%, 4/15/20  |     | 275   | 300,437    |
| 5.25%, 4/15/21  |     | 247   | 233,415    |
| William Lyon Homes, Inc., 8.50%, 11/15/20                               |     | 275   | 291,500    |
|   |     |       | 6,958,355  |
| <b>Household Products 0.7%</b>  |     |       |            |
| <b>Ontex IV SA:</b>   |     |       |            |
| 7.50%, 4/15/18  | EUR | 100   | 138,794    |
| 7.50%, 4/15/18 (a)  |     | 130   | 180,433    |
| 9.00%, 4/15/19  |     | 313   | 429,189    |
| <b>Spectrum Brands Escrow Corp. (a):</b>                                |     |       |            |
| 6.38%, 11/15/20   | USD | 351   | 363,285    |
| 6.63%, 11/15/22   |     | 230   | 235,750    |
| <b>Spectrum Brands, Inc.:</b>   |     |       |            |
| 9.50%, 6/15/18  |     | 330   | 363,000    |
| 6.75%, 3/15/20  |     | 89    | 93,895     |
|   |     |       | 1,804,346  |
| <b>Independent Power Producers &amp; Energy Traders 4.0%</b>            |     |       |            |
| Calpine Corp., 7.50%, 2/15/21 (a)                                       |     | 42    | 44,520     |
| <b>Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.:</b>   |     |       |            |
| 6.88%, 8/15/17 (a)  |     | 378   | 382,253    |
| 11.25%, 12/01/18 (a)(f)   |     | 657   | 515,848    |
| 10.00%, 12/01/20  |     | 3,373 | 3,554,299  |
| 10.00%, 12/01/20 (a)  |     | 1,700 | 1,787,125  |
| 12.25%, 3/01/22 (a)   |     | 1,140 | 1,268,250  |
| <b>GenOn REMA LLC:</b>  |     |       |            |
| Series B, 9.24%, 7/02/17  |     | 86    | 88,283     |
| Series C, 9.68%, 7/02/26  |     | 384   | 407,040    |
| <b>Laredo Petroleum, Inc.:</b>  |     |       |            |
| 9.50%, 2/15/19  |     | 445   | 495,062    |
| 7.38%, 5/01/22  |     | 345   | 363,975    |
| NRG Energy, Inc., 7.63%, 1/15/18  |     | 1,453 | 1,609,197  |
| QEP Resources, Inc., 5.38%, 10/01/22                                    |     | 305   | 291,275    |
|   |     |       | 10,807,127 |
| <b>Industrial Conglomerates 0.2%</b>                                    |     |       |            |
| Sequa Corp., 7.00%, 12/15/17 (a)  |     | 420   | 420,000    |
| <b>Insurance 0.8%</b>   |     |       |            |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)  |     | 1,035 | 1,058,288  |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (a)                          |     | 206   | 215,270    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                       |     | 605   | 623,150    |
| TMF Group Holding BV, 9.88%, 12/01/19                                   | EUR | 100   | 138,120    |
|   |     |       | 2,034,828  |
| <b>Internet Software &amp; Services 0.3%</b>                            |     |       |            |
| Bankrate, Inc., 6.13%, 8/15/18 (a)                                      | USD | 269   | 265,974    |
| <b>Cerved Technologies SpA:</b>   |     |       |            |
| 6.38%, 1/15/20  | EUR | 100   | 133,513    |
| 8.00%, 1/15/21  |     | 100   | 132,495    |
| VeriSign, Inc., 4.63%, 5/01/23 (a)                                      | USD | 255   | 238,425    |
|   |     |       | 770,407    |
| <b>IT Services 4.7%</b>   |     |       |            |
| <b>Ceridian Corp.:</b>  |     |       |            |
| 11.25%, 11/15/15  |     | 115   | 116,438    |
| 8.88%, 7/15/19 (a)  |     | 1,540 | 1,732,500  |

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>IT Services (concluded)</b>  |     |              |              |
| Ceridian Corp.(concluded):  |     |              |              |
| 11.00%, 3/15/21 (a)   | USD | 2,405        | \$ 2,777,775 |
| Epicor Software Corp., 8.63%, 5/01/19   |     | 510          | 538,050      |
| First Data Corp. (a):   |     |              |              |
| 7.38%, 6/15/19  |     | 2,203        | 2,285,612    |
| 8.88%, 8/15/20  |     | 495          | 534,600      |
| 6.75%, 11/01/20   |     | 1,242        | 1,269,945    |
| 10.63%, 6/15/21   |     | 676          | 671,775      |
| 11.75%, 8/15/21   |     | 327          | 305,745      |
| SunGard Data Systems, Inc.:   |     |              |              |
| 7.38%, 11/15/18   |     | 500          | 531,250      |
| 6.63%, 11/01/19   |     | 1,371        | 1,391,565    |
| WEX, Inc., 4.75%, 2/01/23 (a)   |     | 453          | 412,230      |
|   |     |              | 12,567,485   |
| <b>Machinery 0.4%</b>   |     |              |              |
| Cleaver-Brooks, Inc., 8.75%, 12/15/19 (a)   |     | 300          | 318,000      |
| DH Services Luxembourg Sarl, 7.75%, 12/15/20 (a)                                    |     | 85           | 87,763       |
| Navistar International Corp., 8.25%, 11/01/21                                       |     | 335          | 332,906      |
| SPX Corp., 6.88%, 9/01/17   |     | 160          | 177,200      |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 8.75%, 2/01/19 (a) |     | 168          | 164,220      |
|   |     |              | 1,080,089    |
| <b>Media 9.7%</b>   |     |              |              |
| AMC Networks, Inc.:   |     |              |              |
| 7.75%, 7/15/21  |     | 205          | 226,525      |
| 4.75%, 12/15/22   |     | 267          | 250,313      |
| Cablevision Systems Corp., 5.88%, 9/15/22   |     | 490          | 467,950      |
| CCO Holdings LLC/CCO Holdings Capital Corp.:  |     |              |              |
| 5.25%, 9/30/22  |     | 540          | 492,750      |
| 5.13%, 2/15/23  |     | 685          | 614,788      |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)(d)(e)                      |     | 537          | 393,353      |
| Checkout Holding Corp., 9.91%, 11/15/15 (a)(h)                                      |     | 418          | 337,535      |
| Cinemark USA, Inc., 5.13%, 12/15/22   |     | 232          | 216,920      |
| Clear Channel Communications, Inc.:   |     |              |              |
| 9.00%, 12/15/19 (b)   |     | 618          | 594,825      |
| 9.00%, 3/01/21  |     | 1,122        | 1,065,900    |
| Clear Channel Worldwide Holdings, Inc.:   |     |              |              |
| 6.50%, 11/15/22   |     | 568          | 563,740      |
| Series B, 7.63%, 3/15/20  |     | 883          | 885,207      |
| Series B, 6.50%, 11/15/22   |     | 1,743        | 1,743,000    |
| DISH DBS Corp.:   |     |              |              |
| 4.25%, 4/01/18  |     | 485          | 477,725      |
| 5.13%, 5/01/20  |     | 827          | 800,122      |
| 5.88%, 7/15/22  |     | 600          | 588,000      |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (a)                                  |     | 164          | 168,510      |
| Harron Communications LP/Harron Finance Corp., 9.13%, 4/01/20 (a)                   |     | 840          | 911,400      |
| Intelsat Jackson Holdings SA, 5.50%, 8/01/23 (a)                                    |     | 757          | 702,118      |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (a)  |     | 1,160        | 1,200,600    |
| Live Nation Entertainment, Inc. (a):  |     |              |              |
| 8.13%, 5/15/18  |     | 675          | 737,444      |
| 7.00%, 9/01/20  |     | 178          | 185,120      |
| Lynx I Corp., 6.00%, 4/15/21  | GBP | 930          | 1,444,824    |
| The McClatchy Co., 9.00%, 12/15/22  | USD | 502          | 529,610      |
| Midcontinent Communications & Finance Corp., 6.25%, 8/01/21 (a)                     |     | 861          | 863,152      |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)                                 |     | 456          | 493,939      |



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|   |     |       |            |
|---|-----|-------|------------|
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (a) |     | 316   | 319,950    |
| <b>Media (concluded)</b>  |     |       |            |
| Nara Cable Funding Ltd., 8.88%, 12/01/18  | EUR | 200   | 278,406    |
| Nielsen Finance LLC/Nielsen Finance Co.:  |     |       |            |
| 11.63%, 2/01/14   |     | 45    | 46,859     |
| 7.75%, 10/15/18   |     | 1,111 | 1,208,212  |
| Odeon & UCI Finco PLC, 9.00%, 8/01/18 (a)   | GBP | 189   | 301,680    |
| ProQuest LLC/ProQuest Notes Co., 9.00%, 10/15/18 (a)                                    | USD | 166   | 166,830    |
| ProtoStar I Ltd., 18.00%, 10/15/13 (a)(d)(e)(g)   |     | 812   | 406        |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (a)                          |     | 240   | 237,600    |
| Sirius XM Radio, Inc. (a):  |     |       |            |
| 4.25%, 5/15/20  |     | 474   | 433,710    |
| 5.75%, 8/01/21  |     | 326   | 319,480    |
| 4.63%, 5/15/23  |     | 233   | 205,623    |
| Sterling Entertainment Corp.,   |     |       |            |
| 10.00%, 12/15/19  |     | 800   | 800,000    |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:                                    |     |       |            |
| 7.50%, 3/15/19  | EUR | 722   | 1,032,955  |
| 5.50%, 1/15/23 (a)  | USD | 475   | 432,250    |
| Unitymedia KabelBW GmbH, 9.50%, 3/15/21   | EUR | 385   | 577,401    |
| Univision Communications, Inc. (a):   |     |       |            |
| 8.50%, 5/15/21  | USD | 266   | 287,945    |
| 6.75%, 9/15/22  |     | 112   | 116,200    |
| 5.13%, 5/15/23  |     | 648   | 611,550    |
| UPCB Finance II Ltd.:   |     |       |            |
| 6.38%, 7/01/20 (a)  | EUR | 753   | 1,043,818  |
| 6.38%, 7/01/20  |     | 100   | 138,621    |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (a)                   | USD | 329   | 340,515    |
|   |     |       | 25,855,381 |
| <b>Metals &amp; Mining 3.6%</b>   |     |       |            |
| ArcelorMittal:  |     |       |            |
| 9.50%, 2/15/15  |     | 300   | 329,250    |
| 4.25%, 8/05/15  |     | 268   | 276,040    |
| 4.25%, 3/01/16  |     | 125   | 127,500    |
| 5.00%, 2/25/17  |     | 340   | 347,650    |
| 6.13%, 6/01/18  |     | 305   | 314,150    |
| Eco-Bat Finance PLC, 7.75%, 2/15/17   | EUR | 435   | 586,416    |
| FMG Resources August 2006 Property Ltd. (a):  |     |       |            |
| 6.38%, 2/01/16  |     | 925   | 947,715    |
| 6.00%, 4/01/17  | USD | 1,251 | 1,272,892  |
| Global Brass & Copper, Inc.,  |     |       |            |
| 9.50%, 6/01/19 (a)  |     | 275   | 299,750    |
| Kaiser Aluminum Corp., 8.25%, 6/01/20   |     | 205   | 228,575    |
| New Gold, Inc., 6.25%, 11/15/22 (a)   |     | 275   | 263,313    |
| Novelis, Inc., 8.75%, 12/15/20  |     | 2,815 | 3,061,312  |
| Peninsula Energy Ltd., 0.00%, 12/14/14  |     | 500   | 500,000    |
| Perstorp Holding AB, 8.75%, 5/15/17 (a)   |     | 205   | 209,613    |
| Steel Dynamics, Inc., 6.38%, 8/15/22  |     | 225   | 234,563    |
| Taseko Mines Ltd., 7.75%, 4/15/19   |     | 385   | 379,225    |
| Vedanta Resources PLC, 8.25%, 6/07/21 (a)   |     | 245   | 230,300    |
|   |     |       | 9,608,264  |
| <b>Multiline Retail 0.4%</b>  |     |       |            |
| Dollar General Corp., 4.13%, 7/15/17  |     | 727   | 763,429    |
| Dufry Finance SCA, 5.50%, 10/15/20 (a)  |     | 203   | 207,172    |
|   |     |       | 970,601    |
| <b>Oil, Gas &amp; Consumable Fuels 9.1%</b>   |     |       |            |
| Access Midstream Partners LP/ACMP Finance Corp.:  |     |       |            |
| 5.88%, 4/15/21  |     | 273   | 280,507    |
| 6.13%, 7/15/22  |     | 250   | 256,875    |
| 4.88%, 5/15/23  |     | 411   | 382,230    |

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                                |              |            |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (g)                               | USD 817      | \$ 749,087 |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (a)                       | 175          | 176,750    |
| Aurora USA Oil & Gas, Inc. (a):   |              |            |
| 9.88%, 2/15/17  | 610          | 643,550    |
| 7.50%, 4/01/20  | 305          | 301,950    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21  | 78           | 79,365     |
| BreitBurn Energy Partners LP/BreitBurn Finance Corp., 7.88%, 4/15/22              | 235          | 232,650    |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20   | 215          | 226,825    |
| Chaparral Energy, Inc., 7.63%, 11/15/22   | 205          | 205,513    |
| Chesapeake Energy Corp.:  |              |            |
| 7.25%, 12/15/18   | 110          | 124,575    |
| 6.63%, 8/15/20  | 77           | 82,583     |
| 6.88%, 11/15/20   | 248          | 268,460    |
| 6.13%, 2/15/21  | 69           | 71,760     |
| Concho Resources, Inc.:   |              |            |
| 7.00%, 1/15/21  | 75           | 82,313     |
| 6.50%, 1/15/22  | 270          | 286,200    |
| 5.50%, 10/01/22   | 333          | 325,507    |
| 5.50%, 4/01/23  | 67           | 64,990     |
| CONSOL Energy, Inc.:  |              |            |
| 8.00%, 4/01/17  | 388          | 409,340    |
| 8.25%, 4/01/20  | 285          | 302,100    |
| Continental Resources, Inc., 7.13%, 4/01/21                                       | 340          | 372,300    |
| Crosstex Energy LP/Crosstex Energy Finance Corp., 8.88%, 2/15/18                  | 140          | 148,750    |
| Crown Oil Partners IV LP, 15.00%, 3/07/15   | 568          | 591,110    |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (a)                          | 314          | 310,860    |
| Denbury Resources, Inc., 4.63%, 7/15/23   | 708          | 631,890    |
| Energy XXI Gulf Coast, Inc.:  |              |            |
| 9.25%, 12/15/17   | 430          | 478,375    |
| 7.75%, 6/15/19  | 490          | 509,600    |
| EP Energy LLC/EP Energy Finance, Inc., 9.38%, 5/01/20                             | 195          | 214,500    |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19                   | 315          | 334,687    |
| EV Energy Partners LP/EV Energy Finance Corp., 8.00%, 4/15/19                     | 140          | 140,000    |
| Halcon Resources Corp., 8.88%, 5/15/21  | 384          | 384,960    |
| Hilcorp Energy I LP/Hilcorp Finance Corp., 7.63%, 4/15/21 (a)                     | 243          | 258,795    |
| Holly Energy Partners LP/Holly Energy Finance Corp., 6.50%, 3/01/20               | 145          | 149,350    |
| Kodiak Oil & Gas Corp.:   |              |            |
| 8.13%, 12/01/19   | 320          | 350,400    |
| 5.50%, 2/01/22 (a)  | 148          | 142,820    |
| Legacy Reserves LP/Legacy Reserves Finance Corp., 6.63%, 12/01/21 (a)             | 140          | 133,000    |
| Lightstream Resources Ltd., 8.63%, 2/01/20 (a)                                    | 237          | 225,150    |
| Linn Energy LLC/Linn Energy Finance Corp.:  |              |            |
| 6.50%, 5/15/19  | 41           | 38,540     |
| 6.25%, 11/01/19 (a)   | 649          | 597,080    |
| 8.63%, 4/15/20  | 710          | 713,550    |
| 7.75%, 2/01/21  | 55           | 53,350     |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:                        |              |            |
| 6.25%, 6/15/22  | 147          | 153,615    |
| 4.50%, 7/15/23  | 225          | 204,750    |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 | 181          | 174,665    |
| Newfield Exploration Co., 6.88%, 2/01/20  | 715          | 748,962    |
| Northern Oil & Gas, Inc., 8.00%, 6/01/20  | 285          | 289,275    |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                |              |            |
| Oasis Petroleum, Inc.:  |              |            |
| 7.25%, 2/01/19  | USD 185      | 196,100    |
| 6.50%, 11/01/21   | 270          | 283,500    |
| Offshore Group Investment Ltd., 7.13%, 4/01/23                                    | 388          | 373,450    |

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|  |       |            |
|--|-------|------------|
| Pacific Drilling SA, 5.38%, 6/01/20 (a)  | 373   | 359,945    |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                            | 89    | 91,003     |
| PDC Energy, Inc., 7.75%, 10/15/22  | 190   | 199,500    |
| Penn Virginia Corp., 8.50%, 5/01/20  | 184   | 184,000    |
| Petrobras Global Finance BV, 3.00%, 1/15/19                                      | 320   | 294,339    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a)                                  | 730   | 799,350    |
| Range Resources Corp.:   |       |            |
| 8.00%, 5/15/19   | 345   | 370,875    |
| 6.75%, 8/01/20   | 111   | 119,603    |
| 5.75%, 6/01/21   | 896   | 938,560    |
| 5.00%, 8/15/22   | 296   | 289,340    |
| 5.00%, 3/15/23   | 157   | 153,468    |
| Regency Energy Partners LP/Regency Energy Finance Corp., 6.88%, 12/01/18         | 107   | 114,758    |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (a)           | 116   | 116,000    |
| Rosetta Resources, Inc., 5.63%, 5/01/21  | 245   | 236,425    |
| Sabine Pass Liquefaction LLC (a):  |       |            |
| 5.63%, 2/01/21   | 1,074 | 1,025,670  |
| 5.63%, 4/15/23   | 309   | 286,597    |
| Sabine Pass LNG LP:  |       |            |
| 7.50%, 11/30/16  | 1,595 | 1,756,494  |
| 6.50%, 11/01/20 (a)  | 300   | 301,500    |
| SandRidge Energy, Inc.:  |       |            |
| 8.75%, 1/15/20   | 28    | 29,260     |
| 7.50%, 2/15/23   | 277   | 267,997    |
| SESI LLC, 6.38%, 5/01/19   | 188   | 197,870    |
| Seven Generations Energy Ltd., 8.25%, 5/15/20 (a)                                | 93    | 95,325     |
| SM Energy Co.:   |       |            |
| 6.63%, 2/15/19   | 192   | 200,640    |
| 6.50%, 11/15/21  | 240   | 252,000    |
| 6.50%, 1/01/23   | 283   | 291,490    |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (a) | 260   | 263,900    |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (a)          | 142   | 141,645    |
| Vanguard Natural Resources LLC/VNR Finance Corp., 7.88%, 4/01/20                 | 250   | 253,125    |
|  |       | 24,387,193 |
| <b>Paper &amp; Forest Products 0.6%</b>  |       |            |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (a)                                   | 292   | 308,060    |
| Boise Paper Holdings LLC/Boise Co-Issuer Co., 8.00%, 4/01/20                     | 105   | 112,612    |
| Boise Paper Holdings LLC/Boise Finance Co., 9.00%, 11/01/17                      | 55    | 57,888     |
| Clearwater Paper Corp.:  |       |            |
| 7.13%, 11/01/18  | 535   | 575,125    |
| 4.50%, 2/01/23   | 40    | 36,200     |
| NewPage Corp., 11.38%, 12/31/14 (d)(e)   | 1,785 |            |
| Sappi Papier Holding GmbH (a):   |       |            |
| 8.38%, 6/15/19   | 200   | 209,000    |
| 6.63%, 4/15/21   | 120   | 111,600    |
| Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (a)                            | 240   | 240,600    |
|  |       | 1,651,085  |

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Pharmaceuticals 2.2%</b>   |     |              |            |
| Capsugel Finance Co. SCA:   |     |              |            |
| 9.88%, 8/01/19  | EUR | 100          | \$ 146,042 |
| 9.88%, 8/01/19 (a)  |     | 200          | 292,085    |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (a)          | USD | 600          | 678,000    |
| Valeant Pharmaceuticals International (a):                                  |     |              |            |
| 6.88%, 12/01/18   |     | 841          | 891,460    |
| 6.38%, 10/15/20   |     | 248          | 252,030    |
| 6.75%, 8/15/21  |     | 412          | 424,360    |
| VPPI Escrow Corp. (a):  |     |              |            |
| 6.75%, 8/15/18  |     | 2,255        | 2,387,481  |
| 7.50%, 7/15/21  |     | 136          | 145,520    |
| Warner Chilcott Co. LLC/Warner Chilcott Finance LLC, 7.75%, 9/15/18         |     | 565          | 617,263    |
|   |     |              | 5,834,241  |
| <b>Professional Services 0.3%</b>   |     |              |            |
| La Financiere Atalian SA, 7.25%, 1/15/20                                    |     |              |            |
|   | EUR | 120          | 154,633    |
| Truven Health Analytics, Inc., 10.63%, 6/01/20                              |     |              |            |
|   | USD | 470          | 499,375    |
|   |     |              | 654,008    |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>                           |     |              |            |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (a) |     |              |            |
|   |     | 261          | 266,872    |
| Felcor Lodging LP:  |     |              |            |
| 6.75%, 6/01/19  |     | 934          | 978,365    |
| 5.63%, 3/01/23  |     | 235          | 218,550    |
| Host Hotels & Resorts LP, 2.50%, 10/15/29 (a)(g)                            |     | 110          | 149,875    |
| iStar Financial, Inc., 4.88%, 7/01/18                                       |     | 375          | 363,750    |
|   |     |              | 1,977,412  |
| <b>Real Estate Management &amp; Development 2.4%</b>                        |     |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20  |     |              |            |
|   |     | 310          | 329,375    |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (a)         |     |              |            |
|   |     | 785          | 843,875    |
| Realogy Corp. (a):  |     |              |            |
| 7.88%, 2/15/19  |     | 2,165        | 2,354,437  |
| 7.63%, 1/15/20  |     | 465          | 520,800    |
| 9.00%, 1/15/20  |     | 305          | 352,275    |
| Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (a)           |     | 311          | 308,668    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                      |     | 1,290        | 1,415,775  |
| Woodside Homes Co. LLC/Woodside Homes Finance, Inc., 6.75%, 12/15/21 (a)    |     | 415          | 412,925    |
|   |     |              | 6,538,130  |
| <b>Road &amp; Rail 0.7%</b>   |     |              |            |
| The Hertz Corp.:  |     |              |            |
| 7.50%, 10/15/18   |     | 505          | 545,400    |
| 6.75%, 4/15/19  |     | 265          | 282,556    |
| 5.88%, 10/15/20   |     | 60           | 61,575     |
| 7.38%, 1/15/21  |     | 400          | 432,000    |
| 6.25%, 10/15/22   |     | 245          | 249,287    |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (a)                      |     | 181          | 178,738    |
|   |     |              | 1,749,556  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                    |     |              |            |
| NXP BV/NXP Funding LLC (a):   |     |              |            |
| 3.75%, 6/01/18  |     | 395          | 381,669    |
| 9.75%, 8/01/18  |     | 100          | 110,500    |
| 5.75%, 2/15/21  |     | 305          | 305,000    |

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|  |     |       |           |
|--|-----|-------|-----------|
|  |     |       | 797,169   |
| <b>Software 1.9%</b>   |     |       |           |
| BMC Software Finance, Inc., 8.13%, 7/15/21 (a)   | USD | 665   | 673,312   |
| Healthcare Technology Intermediate, Inc., 7.38%, 9/01/18 (a)(f)                              |     | 309   | 313,635   |
| IAC/InterActiveCorp, 4.75%, 12/15/22   |     | 386   | 356,085   |
| Igloo Holdings Corp., 8.25%, 12/15/17 (a)(f)   |     | 274   | 280,165   |
| Infor US, Inc., 9.38%, 4/01/19   |     | 1,890 | 2,102,625 |
| Interface Security Systems Holdings, Inc./Interface Security Systems LLC, 9.25%, 1/15/18 (a) |     | 139   | 143,518   |
| Nuance Communications, Inc., 5.38%, 8/15/20 (a)  |     | 865   | 823,912   |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (a)   |     | 408   | 442,680   |
|  |     |       | 5,135,932 |
| <b>Specialty Retail 3.1%</b>   |     |       |           |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20   |     | 335   | 370,175   |
| Claire's Stores, Inc. (a):   |     |       |           |
| 9.00%, 3/15/19   |     | 797   | 887,659   |
| 7.75%, 6/01/20   |     | 304   | 302,480   |
| CST Brands, Inc., 5.00%, 5/01/23 (a)   |     | 348   | 330,600   |
| House of Fraser Funding PLC:   |     |       |           |
| 8.88%, 8/15/18(a)  | GBP | 259   | 424,833   |
| 8.88%, 8/15/18   |     | 221   | 362,502   |
| Limited Brands, Inc., 8.50%, 6/15/19   | USD | 745   | 880,031   |
| Magnolia BC SA, 9.00%, 8/01/20   | EUR | 252   | 337,252   |
| Michaels FinCo Holdings LLC/Michaels FinCo, Inc., 7.50%, 8/01/18 (a)(f)                      | USD | 541   | 541,000   |
| Michaels Stores, Inc., 7.75%, 11/01/18   |     | 215   | 231,394   |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (a)(f)                 |     | 197   | 202,418   |
| Party City Holdings, Inc., 8.88%, 8/01/20 (a)  |     | 929   | 995,191   |
| PC Nextco Holdings LLC/PC Nextco Finance, Inc., 8.75%, 8/15/19 (a)(f)                        |     | 264   | 261,030   |
| Penske Automotive Group, Inc., 5.75%, 10/01/22   |     | 289   | 286,110   |
| QVC, Inc. (a):   |     |       |           |
| 7.50%, 10/01/19  |     | 565   | 609,114   |
| 7.38%, 10/15/20  |     | 270   | 293,368   |
| Sally Holdings LLC/Sally Capital, Inc.:  |     |       |           |
| 6.88%, 11/15/19  |     | 500   | 545,000   |
| 5.75%, 6/01/22   |     | 470   | 470,587   |
|  |     |       | 8,330,744 |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>   |     |       |           |
| Levi Strauss & Co., 6.88%, 5/01/22   |     | 400   | 425,000   |
| PVH Corp., 4.50%, 12/15/22   |     | 233   | 215,816   |
| Quiksilver, Inc./QS Wholesale, Inc., 7.88%, 8/01/18 (a)                                      |     | 110   | 113,438   |
| SIWF Merger Sub, Inc./Springs Industries, Inc., 6.25%, 6/01/21 (a)                           |     | 461   | 455,237   |
| The William Carter Co., 5.25%, 8/15/21 (a)   |     | 231   | 232,155   |
|  |     |       | 1,441,646 |
| <b>Thrifts &amp; Mortgage Finance 0.1%</b>   |     |       |           |
| MGIC Investment Corp., 2.00%, 4/01/20 (g)  |     | 47    | 59,102    |
| Radian Group, Inc. (g):  |     |       |           |
| 3.00%, 11/15/17  |     | 55    | 76,141    |
| 2.25%, 3/01/19   |     | 66    | 94,380    |
|  |     |       | 229,623   |
| <b>Trading Companies &amp; Distributors 0.6%</b>   |     |       |           |
| Air Lease Corp., 4.50%, 1/15/16  |     | 540   | 561,600   |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (a)  |     | 455   | 481,162   |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value       |
|--|-----|--------------|-------------|
| <b>Corporate Bonds</b>   |     |              |             |
| <b>Trading Companies &amp; Distributors (concluded)</b>  |     |              |             |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class A,<br>5.13%, 11/30/24 (a) | USD | 533          | \$ 525,323  |
|  |     |              | 1,568,085   |
| <b>Transportation Infrastructure 0.5%</b>  |     |              |             |
| Aguila 3 SA (a):   |     |              |             |
| 7.88%, 1/31/18   |     | 398          | 416,905     |
| Series 144, 7.88%, 1/31/18   |     | 290          | 303,775     |
| Jack Cooper Holdings Corp., 9.25%, 6/01/20 (a)   |     | 680          | 697,000     |
|  |     |              | 1,417,680   |
| <b>Wireless Telecommunication Services 4.6%</b>  |     |              |             |
| Crown Castle International Corp., 5.25%, 1/15/23   |     | 1,029        | 972,405     |
| Digicel Group Ltd., 8.25%, 9/30/20 (a)   |     | 420          | 445,200     |
| Digicel Ltd., 6.00%, 4/15/21 (a)   |     | 1,962        | 1,893,330   |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20   |     | 477          | 494,888     |
| NII Capital Corp., 7.63%, 4/01/21  |     | 324          | 247,860     |
| Phones4u Finance PLC:  |     |              |             |
| 9.50%, 4/01/18   | GBP | 100          | 160,394     |
| 9.50%, 4/01/18 (a)   |     | 370          | 593,458     |
| Softbank Corp., 4.50%, 4/15/20 (a)   | USD | 720          | 680,717     |
| Sprint Capital Corp., 6.88%, 11/15/28  |     | 1,034        | 933,185     |
| Sprint Communications, Inc. (a):   |     |              |             |
| 9.00%, 11/15/18  |     | 3,237        | 3,779,197   |
| 7.00%, 3/01/20   |     | 1,743        | 1,873,725   |
| T-Mobile USA, Inc., 5.25%, 9/01/18 (a)   |     | 345          | 348,450     |
|  |     |              | 12,422,809  |
| <b>Total Corporate Bonds 106.8%</b>  |     |              | 285,844,655 |
| <b>Floating Rate Loan Interests (c)</b>  |     |              |             |
| <b>Airlines 1.0%</b>   |     |              |             |
| Delta Air Lines, Inc., Term Loan B1, 4.00%, 10/18/18   |     |              |             |
|  |     | 391          | 391,512     |
| Northwest Airlines, Inc., Term Loan:   |     |              |             |
| 2.30%, 3/10/17   |     | 588          | 544,635     |
| 2.30%, 3/10/17   |     | 589          | 545,457     |
| 1.68%, 9/10/18   |     | 499          | 441,345     |
| 1.68%, 9/10/18   |     | 495          | 438,100     |
| 1.68%, 9/10/18   |     | 491          | 434,854     |
|  |     |              | 2,795,903   |
| <b>Auto Components 1.2%</b>  |     |              |             |
| Federal-Mogul Corp.:   |     |              |             |
| Term Loan B, 2.12% 2.13%, 12/29/14   |     | 1,859        | 1,810,368   |
| Term Loan C, 2.12% 2.13%, 12/28/15   |     | 901          | 877,753     |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17   |     | 520          | 520,806     |
|  |     |              | 3,208,927   |
| <b>Building Products 0.1%</b>  |     |              |             |
| Wilsonart International Holdings LLC, Term Loan B, 4.00%, 10/31/19                                     |     | 388          | 384,736     |
| <b>Capital Markets 0.8%</b>  |     |              |             |
| American Capital Holdings, Inc., Term Loan, 4.00%, 8/22/16   |     | 1,294        | 1,297,807   |
| Knight Capital Group, Inc., Term Loan B, 5.75%, 12/05/17   |     | 330          | 328,558     |

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|  |     |       |           |
|--|-----|-------|-----------|
| <b>Nuveen Investments, Inc.:</b>   |     |       |           |
| 2nd Lien Term Loan, 6.50%, 2/28/19   |     | 315   | 313,164   |
| Term Loan, 4.18%, 5/15/17  |     | 102   | 101,756   |
|  |     |       | 2,041,285 |
| <b>Chemicals 0.2%</b>  |     |       |           |
| MacDermid, Inc., 2nd Lien Term Loan, 7.75%, 12/07/20   | USD | 130   | 131,300   |
| OXEA Finance LLC, 2nd Lien Term Loan, 8.25%, 7/15/20   |     | 280   | 279,213   |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, Term Loan, 4.75%, 2/03/20 |     | 50    | 50,199    |
|  |     |       | 460,712   |
| <b>Commercial Services &amp; Supplies 0.3%</b>   |     |       |           |
| Catalent Pharma Solutions, Inc., Term Loan, 6.50%, 12/29/17  |     | 240   | 240,751   |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18  |     | 379   | 378,016   |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19  |     | 235   | 235,221   |
|  |     |       | 853,988   |
| <b>Communications Equipment 1.3%</b>   |     |       |           |
| Alcatel-Lucent USA, Inc.:  |     |       |           |
| Term Loan C, 5.75%, 1/30/19  |     | 1,284 | 1,288,774 |
| Term Loan D, 6.25%, 1/30/19  | EUR | 502   | 665,590   |
| Avaya, Inc., Term Loan B5, 8.00%, 3/30/18  | USD | 113   | 106,763   |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.50%, 7/02/19                                     |     | 1,349 | 1,353,042 |
|  |     |       | 3,414,169 |
| <b>Construction Materials 0.3%</b>   |     |       |           |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17  |     | 795   | 796,968   |
| <b>Containers &amp; Packaging 0.1%</b>   |     |       |           |
| Tekni-Plex, Inc., Term Loan B, 5.50% 6.50%, 8/25/19  |     | 245   | 243,775   |
| <b>Diversified Consumer Services 0.2%</b>  |     |       |           |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18                                       |     | 133   | 132,464   |
| ServiceMaster Co.:   |     |       |           |
| Extended Term Loan, 4.44%, 1/31/17   |     | 155   | 150,566   |
| Term Loan, 4.25%, 1/31/17  |     | 423   | 409,977   |
|  |     |       | 693,007   |
| <b>Diversified Telecommunication Services 0.4%</b>   |     |       |           |
| Level 3 Financing, Inc.:   |     |       |           |
| 2016 Term Loan, 4.00%, 1/15/20   |     | 360   | 359,701   |
| 2019 Term Loan B, 4.00%, 8/01/19   |     | 530   | 529,009   |
| Term Loan, 4.75%, 8/01/19  |     | 245   | 244,743   |
|  |     |       | 1,133,453 |
| <b>Energy Equipment &amp; Services 0.1%</b>  |     |       |           |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20  |     | 170   | 168,866   |
| <b>Food &amp; Staples Retailing 0.0%</b>   |     |       |           |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20   |     | 100   | 102,469   |
| <b>Food Products 0.1%</b>  |     |       |           |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17   |     | 194   | 195,663   |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>   |     |       |           |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18  |     | 257   | 254,826   |
| <b>Health Care Providers &amp; Services 0.2%</b>   |     |       |           |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17                                      |     | 213   | 219,084   |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

(Percentages shown are based on Net Assets)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (c)</b>                                      |     |                      |              |
| <b>Health Care Providers &amp; Services (concluded)</b>                      |     |                      |              |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16                    | USD | 376                  | \$ 366,805   |
|  |     |                      | 585,889      |
| <b>Hotels, Restaurants &amp; Leisure 4.3%</b>                                |     |                      |              |
| Bally Technologies, Inc., Term Loan B, 4.25%, 8/31/20                        |     | 425                  | 424,205      |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20                               |     | 405                  | 405,502      |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20                    |     | 1,105                | 1,102,238    |
| Harrah's Property Co., Mezzanine Term Loan, 3.68%, 2/13/14                   |     | 6,579                | 6,259,918    |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19                      |     | 496                  | 494,040      |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                   |     | 515                  | 516,282      |
| Playa Resorts Holding BV, Term Loan B, 4.75%, 8/06/19                        |     | 600                  | 601,752      |
| Station Casinos, Inc., Term Loan B, 5.00%, 3/01/20                           |     | 843                  | 848,510      |
| <b>Travelport LLC:</b>   |     |                      |              |
| 2nd Lien PIK Term Loan 2, 8.38%, 12/01/16                                    |     | 405                  | 404,672      |
| 2nd Lien Term Loan 1, 9.50%, 1/29/16   |     | 97                   | 100,513      |
| Refinancing Term Loan, 6.25%, 6/26/19  |     | 275                  | 277,613      |
|  |     |                      | 11,435,245   |
| <b>Industrial Conglomerates 0.2%</b>   |     |                      |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                                     |     | 529                  | 531,044      |
| <b>Insurance 0.1%</b>  |     |                      |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19                       |     | 308                  | 309,415      |
| <b>IT Services 0.4%</b>  |     |                      |              |
| Ceridian Corp., Term Loan B, 4.43%, 5/09/17                                  |     | 285                  | 284,703      |
| First Data Corp., Extended 2018 Term Loan B, 4.18%, 3/23/18                  |     | 720                  | 712,397      |
|  |     |                      | 997,100      |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                               |     |                      |              |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                                    |     | 189                  | 189,989      |
| <b>Machinery 1.3%</b>  |     |                      |              |
| <b>Gardner Denver, Inc., Term Loan:</b>                                      |     |                      |              |
| 4.25%, 7/30/20   |     | 1,137                | 1,130,947    |
| 4.75%, 7/30/20   | EUR | 1,245                | 1,640,829    |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/20/20                            | USD | 656                  | 648,645      |
|  |     |                      | 3,420,421    |
| <b>Media 1.6%</b>  |     |                      |              |
| <b>Cengage Learning Acquisitions, Inc.:</b>                                  |     |                      |              |
| Non-Extended Term Loan, 4.75%, 7/03/14                                       |     | 290                  | 207,258      |
| Tranche 1 Incremental, 6.00%, 7/03/14  |     | 1,370                | 967,766      |
| <b>Clear Channel Communications, Inc.:</b>                                   |     |                      |              |
| Term Loan B, 3.83%, 1/29/16  |     | 123                  | 114,834      |
| Term Loan C, 3.83%, 1/29/16  |     | 92                   | 83,939       |
| Term Loan D, 6.93%, 1/30/19  |     | 1,365                | 1,251,607    |
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18                       |     | 397                  | 398,293      |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                             |     | 41                   | 39,203       |
| Harron Communications Corp., Refinancing Term Loan B, 3.50%, 6/19/20         |     | 545                  | 545,452      |
| TWCC Holding Corp., 2nd Lien Term Loan, 7.00%, 6/26/20                       |     | 205                  | 210,125      |
| <b>Media (concluded)</b>   |     |                      |              |
| Univision Communications, Inc., Converted Extended Term Loan, 4.50%, 3/02/20 | USD | 227                  | 226,566      |
| Virgin Media Investment Holdings Ltd., Term Loan B, 3.50%, 6/08/20           |     | 110                  | 109,447      |
|  |     |                      | 4,154,490    |
| <b>Metals &amp; Mining 0.8%</b>  |     |                      |              |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20                           |     | 823                  | 841,454      |

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|  |           |           |
|--|-----------|-----------|
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17                  | 1,311     | 1,315,729 |
|  |           | 2,157,183 |
| <b>Multiline Retail 0.5%</b>   |           |           |
| HEMA Holding BV, Mezzanine, 8.63%, 7/05/17                             | EUR 1,214 | 1,444,198 |
| <b>Oil, Gas &amp; Consumable Fuels 1.5%</b>                            |           |           |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17          | USD 2,015 | 2,051,935 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                 | 628       | 628,002   |
| Samson Investment Co., 2nd Lien Term Loan, 6.00%, 9/25/18              | 215       | 215,942   |
| Vantage Drilling Co.:  |           |           |
| Term Loan, 6.25%, 10/26/17   | 788       | 793,007   |
| Term Loan B, 5.75%, 3/22/19  | 344       | 346,718   |
|  |           | 4,035,604 |
| <b>Pharmaceuticals 0.3%</b>  |           |           |
| Par Pharmaceutical, Refinancing Term Loan B, 4.25%, 9/30/19            | 655       | 651,580   |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 285       | 285,073   |
|  |           | 936,653   |
| <b>Real Estate Investment Trusts (REITs) 0.3%</b>                      |           |           |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17                      | 889       | 889,076   |
| <b>Real Estate Management &amp; Development 0.2%</b>                   |           |           |
| Realogy Corp.:   |           |           |
| Extended Letter of Credit, 4.45%, 10/10/16                             | 86        | 86,529    |
| Extended Term Loan, 4.50%, 3/05/20                                     | 409       | 411,225   |
|  |           | 497,754   |
| <b>Road &amp; Rail 0.1%</b>  |           |           |
| Genesee & Wyoming, Inc., Term Loan A, 2.19%, 9/29/17                   | 249       | 248,270   |
| <b>Software 0.4%</b>   |           |           |
| BMC Software, Inc., Term Loan, 5.00%, 8/07/20                          | 130       | 129,730   |
| GCA Services Group, Inc., 2nd Lien Term Loan, 9.25%, 10/22/20          | 55        | 55,825    |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                           | 459       | 461,771   |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20                       | 470       | 485,862   |
|  |           | 1,133,188 |
| <b>Specialty Retail 0.3%</b>   |           |           |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19                     | 493       | 495,106   |
| Party City Holdings, Inc., Refinancing Term Loan B, 4.25%, 7/29/19     | 240       | 239,354   |
|  |           | 734,460   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                       |           |           |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18          | 1,037     | 992,808   |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Floating Rate Loan Interests (c)</b>          |     |              |            |
| <b>Thriffs &amp; Mortgage Finance 0.2%</b>       |     |              |            |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18 | USD | 559          | \$ 563,907 |
| <b>Total Floating Rate Loan Interests 19.4%</b>  |     |              | 52,005,441 |

|  |  | Beneficial<br>Interest<br>(000) |       |
|--|--|---------------------------------|-------|
| <b>Other Interests (d)(j)</b>                        |  |                                 |       |
| <b>Chemicals 0.0%</b>                                |  |                                 |       |
| Wellman Holdings, Inc., Litigation Trust Certificate |  | 2,650                           | 27    |
| <b>Media 0.0%</b>                                    |  |                                 |       |
| Adelphia Preferred Escrow                            |  | 700                             | 7     |
| Adelphia Recovery Trust                              |  | 878                             | 8,779 |
|  |  |                                 | 8,786 |
| <b>Total Other Interests 0.0%</b>                    |  |                                 | 8,813 |

**Preferred Securities**

|   |  | Par<br>(000) |        |
|---|--|--------------|--------|
| <b>Capital Trusts</b>                       |  |              |        |
| <b>Media 0.0%</b>                           |  |              |        |
| NBCUniversal Enterprise, Inc., 5.25% (a)(k) |  | 100          | 97,921 |

**Preferred Stocks**

|                                  |  | Shares |           |
|----------------------------------|--|--------|-----------|
| <b>Auto Components 1.5%</b>      |  |        |           |
| Dana Holding Corp., 4.00% (a)(g) |  | 23,460 | 4,121,629 |

**Trust Preferreds**

|  |  |         |           |
|--|--|---------|-----------|
| <b>Diversified Financial Services 1.4%</b>         |  |         |           |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (c) |  | 139,710 | 3,689,522 |
| <b>Total Preferred Securities 2.9%</b>             |  |         | 7,909,072 |

**Warrants (l)**

|  |  |           |        |
|--|--|-----------|--------|
| <b>Health Care Providers &amp; Services 0.0%</b> |  |           |        |
| HealthSouth Corp., (Expires 1/16/14)             |  | 29,930    |        |
| <b>Media 0.0%</b>                                |  |           |        |
| New Vision Holdings LLC:                         |  |           |        |
| (Expires 9/30/14)                                |  | 2,283     | 4,196  |
| (Expires 9/30/14)                                |  | 12,682    | 19,391 |
|  |  |           | 23,587 |
| <b>Metals &amp; Mining 0.0%</b>                  |  |           |        |
| Peninsula Energy Ltd., (Expires 12/31/15)        |  | 2,142,553 | 14,684 |
| Peninsula Minerals Ltd., (Expires 12/31/15)      |  | 3,627,165 | 35,512 |
|  |  |           | 50,196 |

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|   |           |                |
|---|-----------|----------------|
| <b>Software 0.0%</b>  |           |                |
| HMH Holdings/EduMedia, (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27) | 1,070     |                |
| <b>Total Warrants 0.0%</b>  |           | 73,783         |
| <b>Total Long-Term Investments</b>  |           |                |
| <b>(Cost \$373,669,516) 139.5%</b>  |           | 373,648,834    |
| <br>  |           |                |
| <b>Short-Term Securities</b>  |           |                |
| BlackRock Liquidity Funds, TempCash, Institutional Class, 0.06% (m)(n)  | 1,579,905 | 1,579,905      |
| <b>Total Short-Term Securities</b>  |           |                |
| <b>(Cost \$1,579,905) 0.6%</b>  |           | 1,579,905      |
| <br>  |           |                |
| <b>Options Purchased</b>  |           |                |
| <b>(Cost \$1,065,207) 0.5%</b>  |           | 1,213,665      |
| <b>Total Investments Before Options Written</b>   |           |                |
| <b>(Cost \$376,314,628) 140.6%</b>  |           | 376,442,404    |
| <br>  |           |                |
| <b>Options Written</b>  |           |                |
| <b>(Premiums Received \$265,802) (0.1)%</b>   |           | (280,700)      |
| <b>Total Investments, Net of Options Written 140.5%</b>   |           | 376,161,704    |
| <b>Liabilities in Excess of Other Assets (40.5)%</b>  |           | (108,463,512)  |
| <br>  |           |                |
| <b>Net Assets 100.0%</b>  |           | \$ 267,698,192 |

### Notes to Consolidated Schedule of Investments

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) When-issued security. Unsettled when-issued transactions were as follows:

|                            |              | <b>Unrealized</b>   |
|----------------------------|--------------|---------------------|
| <b>Counterparty</b>        | <b>Value</b> | <b>Appreciation</b> |
| J.P. Morgan Securities LLC | \$ 1,715,250 |                     |
| Bank of America N.A.       | \$ 594,825   | \$ 24,628           |

(c) Variable rate security. Rate shown is as of report date.

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

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(g) Convertible security.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (k) Security is perpetual in nature and has no stated maturity date.
- (l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.
- (m) Investments in issuers considered to be an affiliate of the Fund during the six months ended August 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held           |                   |        |
|--|-----------------------|-------------------|--------|
|  | Net                   | at August 31,     | Income |
| BlackRock Liquidity Funds, TempCash, Institutional Class | Activity<br>1,579,905 | 2013<br>1,579,905 | \$ 704 |

- (n) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Financial futures contracts as of August 31, 2013 were as follows:

| Contracts Sold | Issue                    | Exchange               | Expiration    | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------|--------------------------|------------------------|---------------|----------------|--|
| (20)           | 10-Year US Treasury Note | Chicago Board of Trade | December 2013 | \$2,485,625    | \$ (1,281)                             |
| (11)           | 2-Year US Treasury Note  | Chicago Board of Trade | December 2013 | \$2,417,250    | (157)                                  |
| (30)           | 5-Year US Treasury Note  | Chicago Board of Trade | December 2013 | \$3,590,391    | 4,414                                  |
| <b>Total</b>   |                          |                        |               |                | \$ 2,976                               |

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Foreign currency exchange contracts as of August 31, 2013 were as follows:

| Currency Purchased |            | Currency Sold | Counterparty | Settlement Date             | Unrealized Appreciation (Depreciation) |            |
|--------------------|------------|---------------|--------------|-----------------------------|--|------------|
| USD                | 269,543    | EUR           | 204,000      | Credit Suisse International | 9/03/13                                | \$ (74)    |
| USD                | 332,923    | GBP           | 215,000      | Bank of America N.A.        | 9/03/13                                | (262)      |
| EUR                | 204,000    | USD           | 269,562      | Credit Suisse International | 9/25/13                                | 73         |
| USD                | 1,653,867  | EUR           | 1,239,000    | Barclays PLC                | 9/25/13                                | 16,230     |
| USD                | 20,774,374 | EUR           | 15,461,000   | UBS AG                      | 9/25/13                                | 338,937    |
| GBP                | 215,000    | USD           | 332,799      | Bank of America N.A.        | 10/22/13                               | 263        |
| USD                | 421,777    | AUD           | 463,000      | UBS AG                      | 10/22/13                               | 10,995     |
| USD                | 3,045,332  | CAD           | 3,169,000    | JPMorgan Chase Bank N.A.    | 10/22/13                               | 40,273     |
| USD                | 150,763    | GBP           | 100,000      | Bank of America N.A.        | 10/22/13                               | (4,150)    |
| USD                | 158,155    | GBP           | 102,000      | Bank of America N.A.        | 10/22/13                               | 144        |
| USD                | 131,600    | GBP           | 85,000       | Barclays PLC                | 10/22/13                               | (76)       |
| USD                | 8,607,693  | GBP           | 5,708,000    | Deutsche Bank AG            | 10/22/13                               | (234,716)  |
| USD                | 156,630    | GBP           | 103,000      | Deutsche Bank AG            | 10/22/13                               | (2,930)    |
| USD                | 89,306     | GBP           | 57,423       | Deutsche Bank AG            | 10/22/13                               | 351        |
| USD                | 70,618     | GBP           | 45,171       | Deutsche Bank AG            | 10/22/13                               | 642        |
| <b>Total</b>       |            |               |              |                             |  | \$ 165,700 |

Exchange-traded options purchased as of August 31, 2013 were as follows:

| Description            | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|----------|--------------|-----------------|-----------|--------------|
| SPDR S&P 500 ETF Trust | Put      | USD 165.00   | 9/21/13         | 280       | \$ 94,080    |
| SPDR S&P 500 ETF Trust | Put      | USD 164.00   | 9/21/13         | 950       | 269,325      |
| SPDR S&P 500 ETF Trust | Put      | USD 161.00   | 10/19/13        | 1,087     | 326,100      |
| SPDR S&P 500 ETF Trust | Put      | USD 164.00   | 10/19/13        | 1,260     | 524,160      |
| <b>Total</b>           |          |              |                 |           | \$ 1,213,665 |

Over-the-counter options purchased as of August 31, 2013 were as follows:

| Description                    | Counterparty        | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------------------|---------------------|----------|--------------|-----------------|-----------|--------------|
| Marsico Parent Superholdco LLC | Goldman Sachs & Co. | Call     | USD 942.86   | 12/14/19        | 17        |              |

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

Exchange-traded options written as of August 31, 2013 were as follows:

| Description            | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|----------|--------------|-----------------|-----------|--------------|
| SPDR S&P 500 ETF Trust | Put      | USD 156.00   | 9/21/13         | (950)     | \$ (66,500)  |
| SPDR S&P 500 ETF Trust | Put      | USD 156.00   | 10/19/13        | (1,260)   | (214,200)    |
| <b>Total</b>           |          |              |                 |           | \$ (280,700) |

Credit default swaps buy protection outstanding as of August 31, 2013 were as follows:

| Issuer           | Pay Fixed Rate | Counterparty     | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid | Unrealized Depreciation |
|------------------|----------------|------------------|-----------------|-----------------------|--------------|---------------|-------------------------|
| Radioshack Corp. | 5.00%          | Deutsche Bank AG | 9/20/18         | USD 61                | \$ 15,330    | \$ 18,980     | \$ (3,651)              |
| Radioshack Corp. | 5.00%          | Deutsche Bank AG | 9/20/18         | USD 61                | 15,329       | 18,689        | (3,360)                 |
| Radioshack Corp. | 5.00%          | Deutsche Bank AG | 9/20/18         | USD 61                | 15,329       | 16,935        | (1,605)                 |
| <b>Total</b>     |                |                  |                 |                       | \$ 45,988    | \$ 54,604     | \$ (8,616)              |

Credit default swaps sold protection outstanding as of August 31, 2013 were as follows:

| Issuer/Index                              | Receive Fixed Rate | Counterparty                | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------------|--|
| Radioshack Corp.                          | 5.00%              | Deutsche Bank AG            | 9/20/15         | CCC                        | USD 61                             | \$ (6,506)   | \$ (9,486)        | \$ 2,980                               |
| Radioshack Corp.                          | 5.00%              | Deutsche Bank AG            | 9/20/15         | CCC                        | USD 61                             | (6,505)      | (9,498)           | 2,992                                  |
| Radioshack Corp.                          | 5.00%              | Deutsche Bank AG            | 9/20/15         | CCC                        | USD 61                             | (6,505)      | (7,777)           | 1,272                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Citibank N.A.               | 12/20/15        | CCC-                       | USD 143                            | (27,215)     | (36,705)          | 9,490                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Citibank N.A.               | 12/20/15        | CCC-                       | USD 70                             | (13,330)     | (16,111)          | 2,781                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 12/20/15        | CCC-                       | USD 58                             | (11,042)     | (14,467)          | 3,425                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 12/20/15        | CCC-                       | USD 250                            | (47,654)     | (72,022)          | 24,369                                 |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Citibank N.A.               | 3/20/16         | CCC-                       | USD 48                             | (10,906)     | (9,361)           | (1,545)                                |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | USD 71                             | (15,946)     | (15,379)          | (567)                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | USD 301                            | (67,721)     | (52,739)          | (14,983)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | USD 101                            | (22,718)     | (24,171)          | 1,454                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | USD 101                            | (22,718)     | (24,171)          | 1,454                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | USD 302                            | (67,922)     | (68,881)          | 959                                    |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 3/20/16         | CCC-                       | USD 41                             | (9,215)      | (8,392)           | (823)                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | USD 114                            | (29,570)     | (23,210)          | (6,360)                                |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | USD 204                            | (53,132)     | (51,128)          | (2,005)                                |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | USD 390                            | (101,607)    | (94,691)          | (6,916)                                |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | USD 708                            | (184,360)    | (174,199)         | (10,161)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Citibank N.A.               | 9/20/16         | CCC-                       | USD 335                            | (99,317)     | (115,201)         | 15,883                                 |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/17         | CCC-                       | USD 187                            | (66,140)     | (51,643)          | (14,497)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/17         | CCC-                       | USD 222                            | (78,630)     | (68,997)          | (9,633)                                |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/17         | CCC-                       | USD 129                            | (45,861)     | (38,083)          | (7,777)                                |
| Crown Castle International Corp.          | 7.25%              | Deutsche Bank AG            | 3/20/17         | B                          | USD 430                            | 69,958       |                   | 69,958                                 |
| CCO Holdings LLC                          | 8.00%              | Deutsche Bank AG            | 9/20/17         | BB-                        | USD 1,500                          | 306,475      |                   | 306,475                                |



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|  |       |                             |          |      |     |     |              |                |            |
|--|-------|-----------------------------|----------|------|-----|-----|--------------|----------------|------------|
| Level 3 Communications, Inc.                 | 5.00% | Goldman Sachs International | 6/20/19  | CCC+ | USD | 900 | 18,691       | (80,132)       | 98,823     |
| Markit CMBX North America AAA Index Series 3 | 0.50% | Citibank N.A.               | 12/13/49 | BBB- | USD | 70  | (7,962)      | (6,583)        | (1,379)    |
| Markit CMBX North America AAA Index Series 3 | 0.50% | Citibank N.A.               | 12/13/49 | BBB- | USD | 140 | (15,924)     | (13,254)       | (2,670)    |
| <b>Total</b>                                 |       |                             |          |      |     |     | \$ (623,282) | \$ (1,086,281) | \$ 462,999 |

<sup>1</sup> Using S&P's rating of the issuer or the underlying securities of the index, as applicable.

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of agreement.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1** unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

**Level 2** other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Consolidated Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2013:

|                              | Level 1              | Level 2               | Level 3              | Total                 |
|------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                      |                       |                      |                       |
| Investments:                 |                      |                       |                      |                       |
| Long-Term Investments:       |                      |                       |                      |                       |
| Asset-Backed Securities      |                      |                       | \$ 1,715,251         | \$ 1,715,251          |
| Common Stocks                | \$ 19,990,694        | \$ 1,842,625          | 4,258,500            | 26,091,819            |
| Corporate Bonds              |                      | 283,063,384           | 2,781,271            | 285,844,655           |
| Floating Rate Loan Interests |                      | 44,211,823            | 7,793,618            | 52,005,441            |
| Other Interests              | 8,779                |                       | 34                   | 8,813                 |
| Preferred Securities         | 3,689,522            | 4,219,550             |                      | 7,909,072             |
| Warrants                     | 35,512               |                       | 38,271               | 73,783                |
| Short-Term Securities        | 1,579,905            |                       |                      | 1,579,905             |
| Options Purchased:           |                      |                       |                      |                       |
| Equity Contracts             | 1,213,665            |                       |                      | 1,213,665             |
| Unfunded Loan Commitments    |                      | 7,406                 |                      | 7,406                 |
| <b>Total</b>                 | <b>\$ 26,518,077</b> | <b>\$ 333,344,788</b> | <b>\$ 16,586,945</b> | <b>\$ 376,449,810</b> |

|   | Level 1             | Level 2           | Level 3           | Total             |
|---|---------------------|-------------------|-------------------|-------------------|
| Derivative Financial Instruments <sup>1</sup> |                     |                   |                   |                   |
| Investments: <sup>1</sup>                     |                     |                   |                   |                   |
| <b>Assets:</b>                                |                     |                   |                   |                   |
| Credit contracts                              |                     | \$ 165,882        | \$ 376,433        | \$ 542,315        |
| Interest rate contracts                       | \$ 4,414            |                   |                   | 4,414             |
| Foreign currency exchange contracts           |                     | 407,908           |                   | 407,908           |
| <b>Liabilities:</b>                           |                     |                   |                   |                   |
| Credit contracts                              |                     | (87,932)          |                   | (87,932)          |
| Equity contracts                              | (280,700)           |                   |                   | (280,700)         |
| Interest rate contracts                       | (1,438)             |                   |                   | (1,438)           |
| Foreign currency exchange contracts           | (336)               | (241,872)         |                   | (242,208)         |
| <b>Total</b>                                  | <b>\$ (278,060)</b> | <b>\$ 243,986</b> | <b>\$ 376,433</b> | <b>\$ 342,359</b> |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options written. Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
|--|---------|---------|---------|-------|

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| <b>Assets:</b>   |    |               |                  |
|--|----|---------------|------------------|
| Cash   | \$ | 53,290        | \$ 53,290        |
| Foreign currency at value                              |    | 95,193        | 95,193           |
| Cash pledged for financial futures contracts           |    | 75,000        | 75,000           |
| Cash pledged as collateral for over-the counter swaps  |    | 600,000       | 600,000          |
| <b>Liabilities:</b>                                    |    |               |                  |
| Loan payable   | \$ | (108,000,000) | (108,000,000)    |
| Cash received as collateral for over-the counter swaps |    | (600,000)     | (600,000)        |
| <b>Total</b>   | \$ | 823,483       | \$ (108,600,000) |
|  |    |               | \$ (107,776,517) |

There were no transfers between Level 1 and Level 2 during the six months ended August 31, 2013.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund, Inc. (COY)**

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | <b>Asset-Backed<br/>Securities</b> | <b>Common<br/>Stocks</b> | <b>Corporate<br/>Bonds</b> | <b>Floating<br/>Rate Loan<br/>Interests</b> | <b>Other<br/>Interests</b> | <b>Warrants</b> | <b>Total</b>  |
|---|------------------------------------|--------------------------|----------------------------|---|----------------------------|-----------------|---------------|
| <b>Assets:</b>  |                                    |                          |                            |   |                            |                 |               |
| Opening balance, as of February 28, 2013                        |                                    | \$ 4,867,942             | \$ 3,974,553               | \$ 9,296,536                                | \$ 33                      | \$ 58,758       | \$ 18,197,822 |
| Transfers into Level 3  |                                    |                          |                            | 264,521                                     |                            |                 | 264,521       |
| Transfers out of Level 3  |                                    | (707)                    | (488,750)                  | (1,547,037)                                 |                            |                 | (2,036,494)   |
| Accrued discounts/premiums                                      |                                    |                          | 2,150                      | 20,483                                      |                            |                 | 22,633        |
| Net realized gain (loss)  |                                    | (5,496)                  | 15,489                     | 160,958                                     |                            | 1,021           | 171,972       |
| Net change in unrealized appreciation/depreciation <sup>1</sup> |                                    | (603,237)                | (3,768)                    | (75,995)                                    | 1                          | (21,508)        | (704,507)     |
| Purchases   | \$ 1,715,251                       |                          | 11,246                     | 3,501,682                                   |                            |                 | 5,228,179     |
| Sales   |                                    | (2)                      | (729,649)                  | (3,827,530)                                 |                            |                 | (4,557,181)   |
| <b>Closing balance, as of August 31, 2013</b>                   | \$ 1,715,251                       | \$ 4,258,500             | \$ 2,781,271               | \$ 7,793,618                                | \$ 34                      | \$ 38,271       | \$ 16,586,945 |

<sup>1</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2013 was \$(696,482).

The following table is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|   | <b>Credit<br/>Contracts</b> |
|---|-----------------------------|
| <b>Assets:</b>  |                             |
| Opening Balance, as of February 28, 2013                        |                             |
| Transfers into Level 3  | \$ 437,105                  |
| Transfers out of Level 3  |                             |
| Accrued discounts/premiums                                      |                             |
| Net realized gain (loss)  |                             |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | (60,672)                    |
| Purchases   |                             |
| Issues <sup>3</sup>   |                             |
| Sales   |                             |
| Settlements <sup>4</sup>  |                             |
| <b>Closing Balance, as of August 31, 2013</b>                   | \$ 376,433                  |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held as of August 31, 2013 was \$(60,672).

<sup>3</sup> Issues represent upfront cash received on certain derivative financial instruments.

<sup>4</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

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The following table summarizes the valuation techniques used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee ( Global Valuation Committee ) to determine the value of certain of the Fund's Level 3 investments as of August 31, 2013. The table does not include Level 3 investments with values based upon unadjusted third party pricing information. Level 3 investments valued using third party pricing information was \$10,392,704. A significant change in such third party pricing information could result in a significantly lower or higher value of such Level 3 investments.

|                              | Value               | Valuation Techniques        | Unobservable Inputs <sup>5</sup>  | Range of<br>Unobservable<br>Inputs Utilized |
|------------------------------|---------------------|-----------------------------|---|---|
| <b>Assets:</b>               |                     |                             |   |   |
| Common Stocks <sup>6</sup>   | \$ 204,750          | Market Comparable Companies | Forecasted EBITDA Multiple  | 3.50x                                       |
|                              | 2,075,649           | Market Comparable Companies | 2P (Proved and Probable) Reserves +<br>2C (Contingent) Resources Multiple | CAD <sup>7</sup> 0.35x 0.53x                |
|                              | 1,358,900           | Market Comparable Companies | PV-10 Multiple <sup>8</sup>   | 0.13x 0.21x                                 |
|                              |                     |                             | Offshore EBITDA Multiple  | 8.25x                                       |
|                              |                     |                             | Onshore EBITDA Multiple   | 4.75x                                       |
|                              |                     |                             | Implied Last 12 Months EBITDA<br>Multiple                                 | 6.95x                                       |
| Corporate Bonds <sup>9</sup> | 625,155             | Market Comparable Companies | Yield   | 12.10%                                      |
|                              | 406                 | Estimated Recovery Value    | Recovery Rate   | 0.05%                                       |
|                              | 591,110             | Discounted Cash Flow        | Yield   | 12.00%                                      |
|                              | 800,000             | Market Comparable Companies | Last 12 Months EBITDA Multiple  | 10.00x                                      |
|                              | 500,000             | Cost <sup>10</sup>          | N/A   |   |
| Warrants <sup>11</sup>       | 23,587              | Estimated Recovery Value    | Distribution Rate   | \$1.36 \$1.63                               |
|                              | 14,684              | Black-Scholes               | Implied Volatility  | 67.605%                                     |
| <b>Total</b>                 | <b>\$ 6,194,241</b> |                             |   |   |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

<sup>5</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input   | Impact to                | Impact to                |
|--|--------------------------|--------------------------|
|  | Value if Input Increases | Value if Input Decreases |
| Forecasted EBITDA Multiple   | Increase                 | Decrease                 |
| 2P (Proved and Probable) Reserves + 2C (Contingent) Resources Multiple | Increase                 | Decrease                 |
| PV-10 Multiple   | Increase                 | Decrease                 |
| Offshore EBITDA Multiple   | Increase                 | Decrease                 |
| Onshore EBITDA Multiple  | Increase                 | Decrease                 |
| Implied Last 12 Months EBITDA Multiple                                 | Increase                 | Decrease                 |
| Yield  | Decrease                 | Increase                 |
| Recovery Rate  | Increase                 | Decrease                 |
| Last 12 Months EBITDA Multiple   | Increase                 | Decrease                 |
| Distribution Rate  | Increase                 | Decrease                 |
| Implied Volatility   | Increase                 | Decrease                 |

<sup>6</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as common stocks changed to a market approach. The investment was previously valued utilizing the company's financial restructuring plan. Market information became available for this investment, which is considered to be a more relevant measure of fair value for this investment.

<sup>7</sup> Canadian Dollar.

<sup>8</sup> Present value of estimated future oil and gas revenues, net of estimated direct expenses, discounted at an annual rate of 10%.

<sup>9</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as corporate bonds changed to a market approach. The investment was previously valued utilizing acquisition cost. Market information became available for this investment which is considered to be a more relevant measure of fair value for this investment.

<sup>10</sup> The Fund fair values certain of its Level 3 investments using acquisition cost, although the transaction may not have occurred during the current reporting period. These investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

<sup>11</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as warrants changed to an as estimated recovery value approach. The investments were previously valued utilizing a discounted vendor price. The estimated recovery value is considered to be a more relevant measure of fair value for these investments.

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments** August 31, 2013 (Unaudited) **BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|  | <b>Par<br/>(000)</b> | <b>Value</b>     |
|--|----------------------|------------------|
| <b>Asset-Backed Securities</b>                     |                      |                  |
| ALM Loan Funding (a)(b)(c):                        |                      |                  |
| Series 2013-7R2A, Class B, 2.86%, 4/24/24          | USD 385              | \$ 367,673       |
| Series 2013-7RA, Class C, 3.71%, 4/24/24           | 1,095                | 1,033,461        |
| Series 2013-7RA, Class D, 5.26%, 4/24/24           | 475                  | 436,287          |
| <b>Total Asset-Backed Securities 0.6%</b>          |                      | <b>1,837,421</b> |
| <b>Common Stocks</b>                               |                      |                  |
| <b>Auto Components 0.8%</b>                        |                      |                  |
| Dana Holding Corp.                                 | 6,229                | 130,560          |
| Delphi Automotive PLC                              | 8,900                | 489,678          |
| The Goodyear Tire & Rubber Co. (d)                 | 84,967               | 1,709,536        |
| Lear Corp.   | 379                  | 26,056           |
|  |                      | 2,355,830        |
| <b>Automobiles 1.5%</b>                            |                      |                  |
| General Motors Co. (d)                             | 125,954              | 4,292,512        |
| <b>Biotechnology 0.0%</b>                          |                      |                  |
| Ironwood Pharmaceuticals, Inc. (d)                 | 7,130                | 83,065           |
| <b>Capital Markets 1.9%</b>                        |                      |                  |
| American Capital Ltd. (d)                          | 367,401              | 4,585,164        |
| E*Trade Financial Corp. (d)                        | 49,200               | 690,768          |
| Uranium Participation Corp. (d)                    | 35,440               | 163,523          |
|  |                      | 5,439,455        |
| <b>Chemicals 0.4%</b>                              |                      |                  |
| Advanced Emissions Solutions, Inc. (d)             | 6,720                | 262,416          |
| Huntsman Corp.                                     | 46,100               | 806,750          |
|  |                      | 1,069,166        |
| <b>Communications Equipment 0.3%</b>               |                      |                  |
| Loral Space & Communications Ltd.                  | 12,778               | 844,754          |
| <b>Diversified Financial Services 0.5%</b>         |                      |                  |
| Kcad Holdings I Ltd. (d)                           | 281,902,800          | 1,423,609        |
| <b>Diversified Telecommunication Services 0.3%</b> |                      |                  |
| Broadview Networks Holdings, Inc. (d)              | 33,638               | 211,916          |
| Level 3 Communications, Inc. (d)                   | 22,280               | 498,181          |
|  |                      | 710,097          |
| <b>Electrical Equipment 0.0%</b>                   |                      |                  |
| Medis Technologies Ltd. (d)                        | 70,784               | 1                |
| <b>Energy Equipment &amp; Services 0.8%</b>        |                      |                  |
| Laricina Energy Ltd. (d)                           | 35,294               | 1,185,514        |
| Osum Oil Sands Corp. (d)                           | 82,000               | 986,367          |
|  |                      | 2,171,881        |
| <b>Hotels, Restaurants &amp; Leisure 0.7%</b>      |                      |                  |
| Caesars Entertainment Corp. (d)                    | 46,168               | 991,227          |
| Pinnacle Entertainment, Inc. (d)                   | 9,073                | 214,848          |
| Travelport LLC (d)(e)                              | 975,272              | 863,116          |
|  |                      | 2,069,191        |
| <b>Insurance 0.6%</b>                              |                      |                  |
| American International Group, Inc. (d)             | 38,945               | 1,809,385        |



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| <b>Media 0.2%</b>  |           |            |
|--|-----------|------------|
| Cablevision Systems Corp., Class A                       | 33,005    | 585,178    |
| Clear Channel Outdoor Holdings, Inc., Class A (d)        | 9,964     | 75,328     |
|  |           | 660,506    |
| <b>Metals &amp; Mining 0.1%</b>                          |           |            |
| African Minerals Ltd. (d)                                | 47,050    | 138,918    |
| Peninsula Energy Ltd. (d)                                | 7,628,138 | 175,133    |
|  |           | 314,051    |
| <b>Common Stocks</b>                                     |           |            |
|  | Shares    | Value      |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>              |           |            |
| African Petroleum Corp. Ltd. (d)                         | 196,300   | \$ 20,966  |
| <b>Paper &amp; Forest Products 0.9%</b>                  |           |            |
| Ainsworth Lumber Co. Ltd. (d)                            | 489,913   | 1,348,854  |
| Ainsworth Lumber Co. Ltd. (b)(d)                         | 140,415   | 407,203    |
| NewPage Corp. (d)  | 8,280     | 662,400    |
| Western Forest Products, Inc. (d)                        | 158,023   | 213,331    |
| Western Forest Products, Inc.                            | 45,762    | 61,694     |
|  |           | 2,693,482  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |           |            |
| SunPower Corp. (d)                                       | 271       | 5,824      |
| <b>Software 0.2%</b>                                     |           |            |
| HMH Holdings/EduMedia (d)                                | 20,718    | 624,126    |
| <b>Trading Companies &amp; Distributors 0.3%</b>         |           |            |
| HD Supply Holdings, Inc. (d)                             | 42,660    | 970,088    |
| <b>Wireless Telecommunication Services 0.5%</b>          |           |            |
| Crown Castle International Corp. (d)                     | 10,597    | 735,644    |
| SBA Communications Corp., Class A (d)                    | 10,597    | 794,775    |
|  |           | 1,530,419  |
| <b>Total Common Stocks 10.0%</b>                         |           | 29,088,408 |

| <b>Corporate Bonds</b>  |     |     | Par   |           |
|---|-----|-----|-------|-----------|
|   |     |     | (000) |           |
| <b>Aerospace &amp; Defense 0.8%</b>                                       |     |     |       |           |
| Bombardier, Inc., 4.25%, 1/15/16 (b)                                      | USD | 490 |       | 506,537   |
| Huntington Ingalls Industries, Inc.:                                      |     |     |       |           |
| 6.88%, 3/15/18  |     | 160 |       | 172,400   |
| 7.13%, 3/15/21  |     | 260 |       | 280,800   |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17                |     | 846 |       | 913,680   |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b)                          |     | 324 |       | 330,043   |
|   |     |     |       | 2,203,460 |
| <b>Air Freight &amp; Logistics 0.2%</b>                                   |     |     |       |           |
| National Air Cargo Group, Inc.:   |     |     |       |           |
| Series 1, 12.38%, 9/02/15   |     | 342 |       | 341,869   |
| Series 2, 12.38%, 8/16/15   |     | 346 |       | 346,483   |
|   |     |     |       | 688,352   |
| <b>Airlines 2.2%</b>  |     |     |       |           |
| Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (b) |     | 404 |       | 402,626   |
| Continental Airlines Pass-Through Trust:                                  |     |     |       |           |
| Series 1997-4, Class B, 6.90%, 7/02/18 (f)                                |     | 93  |       | 95,817    |
| Series 2010-1, Class B, 6.00%, 7/12/20                                    |     | 372 |       | 381,552   |
| Series 2012-3, Class C, 6.13%, 4/29/18                                    |     | 930 |       | 943,485   |
| Delta Air Lines Pass-Through Trust:                                       |     |     |       |           |
| Series 2002-1, Class G-1, 6.72%, 7/02/24                                  |     | 585 |       | 637,264   |
| Series 2009-1, Class B, 9.75%, 6/17/18                                    |     | 178 |       | 194,982   |
| Series 2010-1, Class B, 6.38%, 7/02/17                                    |     | 500 |       | 518,750   |
| US Airways Group, Inc., 6.13%, 6/01/18                                    |     | 330 |       | 299,475   |
| US Airways Pass-Through Trust:  |     |     |       |           |
| Series 2011-1, Class C, 10.88%, 10/22/14                                  |     | 461 |       | 486,748   |
| Series 2012-1, Class C, 9.13%, 10/01/15                                   |     | 418 |       | 434,390   |

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|   |     |           |
|---|-----|-----------|
| Series 2012-2, Class B, 6.75%, 12/03/22 | 300 | 309,750   |
| Series 2012-2, Class C, 5.45%, 6/03/18  | 970 | 904,525   |
| Series 2013-1, Class B, 5.38%, 5/15/23  | 955 | 907,250   |
|   |     | 6,516,614 |

See Notes to Consolidated Financial Statements.

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>   |     |                      |              |
| <b>Auto Components 2.9%</b>  |     |                      |              |
| Affinia Group, Inc., 7.75%, 5/01/21 (b)                              | USD | 681                  | \$ 699,727   |
| Brighthouse Group PLC, 7.88%, 5/15/18                                | GBP | 100                  | 156,520      |
| Continental Rubber of America Corp., 4.50%, 9/15/19 (b)              | USD | 150                  | 151,575      |
| Dana Holding Corp., 6.75%, 2/15/21                                   |     | 450                  | 477,562      |
| Delphi Corp., 6.13%, 5/15/21   |     | 75                   | 81,938       |
| GKN Holdings PLC, 5.38%, 9/19/22                                     | GBP | 200                  | 315,513      |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp., 8.00%, 1/15/18 | USD | 2,805                | 2,952,262    |
| IDQ Holdings, Inc., 11.50%, 4/01/17 (b)                              |     | 380                  | 420,850      |
| Jaguar Land Rover Automotive PLC, 8.25%, 3/15/20                     | GBP | 482                  | 827,627      |
| Schaeffler Finance BV, 4.25%, 5/15/18                                | EUR | 133                  | 175,815      |
| Schaeffler Holding Finance BV (g):                                   |     |                      |              |
| 6.88%, 8/15/18 (b)   | USD | 485                  | 504,400      |
| 6.88%, 8/15/18   | EUR | 335                  | 454,928      |
| Servus Luxembourg Holdings SCA, 7.75%, 6/15/18                       |     | 220                  | 295,183      |
| Titan International, Inc.:   |     |                      |              |
| 7.88%, 10/01/17  | USD | 465                  | 492,900      |
| 7.88%, 10/01/17 (b)  |     | 495                  | 524,700      |
|  |     |                      | 8,531,500    |
| <b>Building Products 1.5%</b>  |     |                      |              |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b) |     | 470                  | 455,900      |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (b)                       |     | 403                  | 403,000      |
| Building Materials Corp. of America (b):                             |     |                      |              |
| 7.00%, 2/15/20   |     | 530                  | 563,125      |
| 6.75%, 5/01/21   |     | 790                  | 837,400      |
| Cemex SAB de CV, 5.88%, 3/25/19 (b)                                  |     | 230                  | 217,925      |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20               |     | 760                  | 788,500      |
| Texas Industries, Inc., 9.25%, 8/15/20                               |     | 236                  | 257,830      |
| USG Corp., 9.75%, 1/15/18  |     | 715                  | 824,037      |
|  |     |                      | 4,347,717    |
| <b>Capital Markets 0.3%</b>  |     |                      |              |
| E*Trade Financial Corp. (h):   |     |                      |              |
| 0.00%, 8/31/19 (b)(i)  |     | 244                  | 331,230      |
| Series A 0.01%, 8/31/19  |     | 7                    | 9,503        |
| KCG Holdings, Inc., 8.25%, 6/15/18 (b)                               |     | 228                  | 224,010      |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (b)                        |     | 212                  | 208,820      |
|  |     |                      | 773,563      |
| <b>Chemicals 2.1%</b>  |     |                      |              |
| Axiall Corp., 4.88%, 5/15/23 (b)                                     |     | 109                  | 101,098      |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b)                            |     | 420                  | 531,161      |
| Celanese US Holdings LLC, 5.88%, 6/15/21                             |     | 727                  | 745,175      |
| Huntsman International LLC, 8.63%, 3/15/21                           |     | 170                  | 189,550      |
| INEOS Finance PLC, 7.50%, 5/01/20 (b)                                |     | 370                  | 395,900      |
| INEOS Group Holdings SA:   |     |                      |              |
| 6.13%, 8/15/18 (b)   |     | 300                  | 290,250      |
| 6.50%, 8/15/18   | EUR | 298                  | 382,863      |
| Kraton Polymers LLC/Kraton Polymers Capital Corp., 6.75%, 3/01/19    | USD | 125                  | 126,875      |
| LSB Industries, Inc., 7.75%, 8/01/19 (b)                             |     | 238                  | 246,330      |
| Nexeo Solutions LLC/Nexeo Solutions Finance Corp., 8.38%, 3/01/18    |     | 90                   | 89,550       |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b)                           |     | 225                  | 225,000      |
| Orion Engineered Carbons Bondco GmbH, 10.00%, 6/15/18                | EUR | 342                  | 504,550      |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (b)   | USD | 172                  | 166,410      |
| PolyOne Corp., 7.38%, 9/15/20  |     | 215                  | 237,038      |

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|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Chemicals (concluded)</b>   |     |              |            |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20  | USD | 933          | \$ 916,672 |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)   |     | 249          | 237,795    |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV:<br>5.75%, 2/01/21 | EUR | 200          | 261,026    |
| 7.38%, 5/01/21 (b)   | USD | 357          | 365,032    |
|  |     |              | 6,012,275  |
| <b>Commercial Banks 1.1%</b>   |     |              |            |
| CIT Group, Inc.:   |     |              |            |
| 5.25%, 3/15/18   |     | 550          | 567,875    |
| 6.63%, 4/01/18 (b)   |     | 235          | 253,800    |
| 5.50%, 2/15/19 (b)   |     | 1,648        | 1,689,200  |
| 6.00%, 4/01/36   |     | 550          | 526,480    |
| Lloyds TSB Bank PLC, 11.88%, 12/16/21 (a)  | EUR | 40           | 65,025     |
|  |     |              | 3,102,380  |
| <b>Commercial Services &amp; Supplies 3.7%</b>   |     |              |            |
| AA Bond Co. Ltd., 9.50%, 7/31/43   | GBP | 180          | 297,775    |
| ACCO Brands Corp., 6.75%, 4/30/20  | USD | 76           | 75,050     |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (b)  |     | 279          | 294,345    |
| ARAMARK Corp., 5.75%, 3/15/20 (b)  |     | 655          | 668,100    |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b)   |     | 540          | 568,627    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)  |     | 96           | 99,112     |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)   |     | 25           | 26,781     |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18   |     | 507          | 513,337    |
| Covanta Holding Corp., 6.38%, 10/01/22   |     | 635          | 644,333    |
| EC Finance PLC, 9.75%, 8/01/17   | EUR | 503          | 724,555    |
| Interactive Data Corp., 10.25%, 8/01/18  | USD | 1,345        | 1,498,061  |
| Mobile Mini, Inc., 7.88%, 12/01/20   |     | 365          | 397,850    |
| Mustang Merger Corp., 8.50%, 8/15/21 (b)   |     | 529          | 521,065    |
| TransUnion LLC/TransUnion Financing Corp., 11.38%, 6/15/18                                 |     | 65           | 72,313     |
| UR Merger Sub Corp.:   |     |              |            |
| 5.75%, 7/15/18   |     | 257          | 274,347    |
| 7.38%, 5/15/20   |     | 340          | 366,350    |
| 8.25%, 2/01/21   |     | 468          | 517,140    |
| 7.63%, 4/15/22   |     | 2,277        | 2,447,775  |
| 6.13%, 6/15/23   |     | 190          | 187,150    |
| Verisure Holding AB:   |     |              |            |
| 8.75%, 9/01/18   | EUR | 184          | 266,286    |
| 8.75%, 12/01/18  |     | 100          | 139,764    |
| West Corp., 8.63%, 10/01/18  | USD | 135          | 146,137    |
|  |     |              | 10,746,253 |
| <b>Communications Equipment 1.8%</b>   |     |              |            |
| Alcatel-Lucent USA, Inc.:  |     |              |            |
| 8.88%, 1/01/20 (b)   |     | 855          | 872,100    |
| 6.50%, 1/15/28   |     | 60           | 45,600     |
| 6.45%, 3/15/29   |     | 185          | 142,450    |
| Avaya, Inc. (b):   |     |              |            |
| 7.00%, 4/01/19   |     | 275          | 251,625    |
| 10.50%, 3/01/21  |     | 864          | 667,440    |
| CommScope Holding Co., Inc., 6.63%, 6/01/20 (b)(g)   |     | 480          | 475,200    |
| Zayo Group LLC/Zayo Capital, Inc.:   |     |              |            |
| 8.13%, 1/01/20   |     | 900          | 976,500    |
| 10.13%, 7/01/20  |     | 1,480        | 1,679,800  |
|  |     |              | 5,110,715  |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Computers &amp; Peripherals 0.1%</b>                             |     |                      |              |
| EMC Corp., Series B, 1.75%, 12/01/13 (h)                            | USD | 201                  | \$ 322,731   |
| <b>Construction &amp; Engineering 0.3%</b>                          |     |                      |              |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (b)         |     | 200                  | 162,000      |
| H&E Equipment Services, Inc., 7.00%, 9/01/22                        |     | 441                  | 468,563      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)   |     | 234                  | 235,170      |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23 (b)         |     | 156                  | 151,320      |
|   |     |                      | 1,017,053    |
| <b>Construction Materials 3.4%</b>                                  |     |                      |              |
| Buzzi Unicem SpA, 6.25%, 9/28/18                                    | EUR | 138                  | 194,239      |
| HD Supply, Inc.:  |     |                      |              |
| 8.13%, 4/15/19  | USD | 3,333                | 3,707,962    |
| 11.00%, 4/15/20   |     | 1,963                | 2,345,785    |
| 7.50%, 7/15/20 (b)  |     | 3,457                | 3,612,565    |
| HeidelbergCement Finance Luxembourg SA, 7.50%, 4/03/20              | EUR | 54                   | 84,216       |
|   |     |                      | 9,944,767    |
| <b>Consumer Finance 0.3%</b>  |     |                      |              |
| Credit Acceptance Corp., 9.13%, 2/01/17                             | USD | 445                  | 475,038      |
| IVS F. SpA, 7.13%, 4/01/20  | EUR | 215                  | 283,444      |
|   |     |                      | 758,482      |
| <b>Containers &amp; Packaging 1.6%</b>                              |     |                      |              |
| Ardagh Packaging Finance PLC:                                       |     |                      |              |
| 7.38%, 10/15/17   |     | 100                  | 140,690      |
| 9.13%, 10/15/20 (b)   | USD | 395                  | 419,687      |
| 9.13%, 10/15/20 (b)   |     | 409                  | 436,607      |
| 7.00%, 11/15/20 (b)   |     | 252                  | 245,070      |
| 5.00%, 11/15/22   | EUR | 220                  | 280,778      |
| Berry Plastics Corp., 9.75%, 1/15/21                                | USD | 185                  | 214,138      |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16       | EUR | 706                  | 933,122      |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 17                   | 17,850       |
| GCL Holdings SCA, 9.38%, 4/15/18 (b)                                | EUR | 267                  | 381,111      |
| Graphic Packaging International, Inc., 7.88%, 10/01/18              | USD | 375                  | 407,813      |
| OI European Group BV, 4.88%, 3/31/21                                | EUR | 205                  | 273,593      |
| Pactiv LLC, 7.95%, 12/15/25   | USD | 471                  | 416,835      |
| Tekni-Plex, Inc., 9.75%, 6/01/19 (b)                                |     | 401                  | 449,120      |
|   |     |                      | 4,616,414    |
| <b>Distributors 0.5%</b>  |     |                      |              |
| VWR Funding, Inc., 7.25%, 9/15/17                                   |     | 1,374                | 1,428,960    |
| <b>Diversified Consumer Services 1.0%</b>                           |     |                      |              |
| APX Group, Inc. (b):  |     |                      |              |
| 6.38%, 12/01/19   |     | 987                  | 930,248      |
| 8.75%, 12/01/20   |     | 597                  | 588,045      |
| Laureate Education, Inc., 9.25%, 9/01/19 (b)                        |     | 1,250                | 1,350,000    |
|   |     |                      | 2,868,293    |
| <b>Diversified Financial Services 5.8%</b>                          |     |                      |              |
| Aircastle Ltd.:   |     |                      |              |
| 6.75%, 4/15/17  |     | 375                  | 397,500      |
| 6.25%, 12/01/19   |     | 326                  | 339,855      |
| Ally Financial, Inc.:   |     |                      |              |
| 7.50%, 12/31/13   |     | 280                  | 284,900      |
| 8.00%, 3/15/20  |     | 299                  | 344,224      |

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|  |     |              |              |
|--|-----|--------------|--------------|
| 7.50%, 9/15/20   |     | 201          | 226,125      |
| 8.00%, 11/01/31 (f)  |     | 3,420        | 3,933,000    |
| 8.00%, 11/01/31  |     | 230          | 260,762      |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b)   |     | 125          | 117,188      |
|  |     | <b>Par</b>   |              |
|  |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>   |     |              |              |
| <b>Diversified Financial Services (concluded)</b>                              |     |              |              |
| Co-Operative Group Ltd. (j):   |     |              |              |
| 6.88%, 7/08/20   | GBP | 170          | \$ 249,618   |
| 7.50%, 7/08/26   |     | 100          | 144,897      |
| DPL, Inc.:   |     |              |              |
| 6.50%, 10/15/16  | USD | 324          | 341,820      |
| 7.25%, 10/15/21  |     | 851          | 868,020      |
| Gala Group Finance PLC, 8.88%, 9/01/18   | GBP | 600          | 990,259      |
| General Motors Financial Co., Inc.:  |     |              |              |
| 6.75%, 6/01/18   | USD | 300          | 334,125      |
| 4.25%, 5/15/23 (b)   |     | 249          | 224,100      |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)                 |     | 510          | 504,900      |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (b)                   |     | 684          | 672,030      |
| Lehman Brothers Holdings, Inc. (d)(e):   |     |              |              |
| 5.38%, 10/17/13  | EUR | 150          | 52,536       |
| 4.75%, 1/16/14   |     | 760          | 266,180      |
| 1.00%, 2/05/14   |     | 1,600        | 549,806      |
| 1.00%, 9/22/18   | USD | 175          | 44,625       |
| 1.00%, 12/31/49  |     | 620          | 158,100      |
| Leucadia National Corp., 8.13%, 9/15/15  |     | 825          | 919,875      |
| Reynolds Group Issuer, Inc.:   |     |              |              |
| 7.13%, 4/15/19   |     | 445          | 473,369      |
| 9.00%, 4/15/19   |     | 580          | 598,850      |
| 7.88%, 8/15/19   |     | 100          | 110,000      |
| 9.88%, 8/15/19   |     | 430          | 456,875      |
| 5.75%, 10/15/20  |     | 2,265        | 2,245,181    |
| WGM Acquisition Corp., 11.50%, 10/01/18  |     | 761          | 877,052      |
|  |     |              | 16,985,772   |
| <b>Diversified Telecommunication Services 3.4%</b>                             |     |              |              |
| Broadview Networks Holdings, Inc., 10.50%, 11/15/17                            |     | 518          | 512,325      |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                    |     | 1,383        | 1,355,340    |
| Cequel Communications Holdings I LLC/Cequel Capital Corp., 5.13%, 12/15/21 (b) |     | 425          | 391,000      |
| Consolidated Communications Finance Co., 10.88%, 6/01/20                       |     | 345          | 396,750      |
| Frontier Communications Corp., 8.50%, 4/15/20                                  |     | 525          | 573,562      |
| Level 3 Communications, Inc., 8.88%, 6/01/19                                   |     | 315          | 336,262      |
| Level 3 Financing, Inc.:   |     |              |              |
| 8.13%, 7/01/19   |     | 1,543        | 1,631,722    |
| 7.00%, 6/01/20   |     | 434          | 437,255      |
| 8.63%, 7/15/20   |     | 1,738        | 1,859,660    |
| Telenet Finance V Luxembourg SCA:  |     |              |              |
| 6.25%, 8/15/22   | EUR | 250          | 331,404      |
| 6.75%, 8/15/24   |     | 467          | 624,926      |
| tw telecom holdings, Inc.:   |     |              |              |
| 5.38%, 10/01/22  | USD | 300          | 285,750      |
| 5.38%, 10/01/22 (b)  |     | 260          | 247,650      |
| Windstream Corp.:  |     |              |              |
| 7.88%, 11/01/17  |     | 393          | 436,230      |
| 7.75%, 10/15/20  |     | 161          | 164,623      |
| 6.38%, 8/01/23   |     | 246          | 222,323      |
|  |     |              | 9,806,782    |
| <b>Electric Utilities 0.6%</b>   |     |              |              |
| Homer City Generation LP (g):  |     |              |              |
| 8.14%, 10/01/19  |     | 155          | 155,775      |
| 8.73%, 10/01/26  |     | 225          | 228,375      |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17               |     | 231          | 242,078      |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14                             | EUR | 850          | 1,121,421    |
|  |     |              | 1,747,649    |

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See Notes to Consolidated Financial Statements.

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|   |             | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-------------|----------------------|--------------|
| <b>Corporate Bonds</b>  |             |                      |              |
| <b>Electrical Equipment</b>   | <b>0.8%</b> |                      |              |
| Belden, Inc.:   |             |                      |              |
| 5.50%, 9/01/22 (b)  | EUR         | 370                  | \$ 358,900   |
| 5.50%, 4/15/23  |             | 120                  | 152,254      |
| General Cable Corp., 5.75%, 10/01/22 (b)  | USD         | 610                  | 587,125      |
| International Wire Group Holdings, Inc., 8.50%, 10/15/17 (b)                      |             | 279                  | 290,160      |
| Rexel SA, 5.13%, 6/15/20  | EUR         | 259                  | 347,442      |
| Techem GmbH, 6.13%, 10/01/19  |             | 300                  | 425,891      |
| Trionista TopCo GmbH, 6.88%, 4/30/21  |             | 100                  | 133,492      |
|   |             |                      | 2,295,264    |
| <b>Electronic Equipment, Instruments &amp; Components</b>                         | <b>0.1%</b> |                      |              |
| Jabil Circuit, Inc., 8.25%, 3/15/18   | USD         | 235                  | 276,713      |
| <b>Energy Equipment &amp; Services</b>  | <b>3.7%</b> |                      |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20   |             | 140                  | 149,800      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)  |             | 335                  | 337,512      |
| CGG:  |             |                      |              |
| 7.75%, 5/15/17  |             | 250                  | 256,250      |
| 6.50%, 6/01/21  |             | 1,255                | 1,270,687    |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b) |             | 655                  | 699,212      |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21                    |             | 51                   | 50,235       |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22   |             | 155                  | 156,938      |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                                  |             | 315                  | 318,938      |
| MEG Energy Corp., 6.50%, 3/15/21 (b)  |             | 1,430                | 1,455,025    |
| Oil States International, Inc.:   |             |                      |              |
| 6.50%, 6/01/19  |             | 670                  | 706,850      |
| 5.13%, 1/15/23 (b)  |             | 344                  | 375,820      |
| Parker Drilling Co., 7.50%, 8/01/20 (b)   |             | 395                  | 388,087      |
| Peabody Energy Corp.:   |             |                      |              |
| 6.00%, 11/15/18   |             | 674                  | 670,630      |
| 6.25%, 11/15/21   |             | 671                  | 647,515      |
| 7.88%, 11/01/26   |             | 375                  | 374,062      |
| 4.75%, 12/15/41 (h)   |             | 426                  | 329,618      |
| Precision Drilling Corp.:   |             |                      |              |
| 6.63%, 11/15/20   |             | 75                   | 78,938       |
| 6.50%, 12/15/21   |             | 180                  | 188,100      |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (b)                          |             | 234                  | 234,000      |
| Seadrill Ltd., 5.63%, 9/15/17 (b)   |             | 1,360                | 1,370,200    |
| Tervita Corp., 8.00%, 11/15/18 (b)  |             | 277                  | 276,308      |
| Trionista Holdco GmbH, 5.00%, 4/30/20   | EUR         | 306                  | 408,469      |
|   |             |                      | 10,743,194   |
| <b>Food &amp; Staples Retailing</b>   | <b>0.7%</b> |                      |              |
| Bakkavor Finance 2 PLC:   |             |                      |              |
| 8.25%, 2/15/18  | GBP         | 319                  | 515,365      |
| 8.75%, 6/15/20  |             | 200                  | 323,887      |
| R&R Ice Cream PLC, 9.25%, 5/15/18 (g)   | EUR         | 100                  | 135,469      |
| Rite Aid Corp.:   |             |                      |              |
| 9.25%, 3/15/20  |             | 375                  | 424,219      |
| 6.75%, 6/15/21 (b)  | USD         | 415                  | 420,187      |
| Zobe Holding SpA, 7.88%, 2/01/18  | EUR         | 100                  | 137,452      |
|   |             |                      | 1,956,579    |
| <b>Food Products</b>  | <b>0.9%</b> |                      |              |
| Darling International, Inc., 8.50%, 12/15/18                                      | USD         | 115                  | 126,500      |
| Findus Bondco SA:   |             |                      |              |

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|  |              |       |              |
|--|--------------|-------|--------------|
| 9.13%, 7/01/18   | EUR          | 168   | 233,716      |
| 9.50%, 7/01/18   | GBP          | 100   | 162,579      |
| Pinnacle Foods Finance LLC, 4.88%, 5/01/21 (b)                                   | USD          | 392   | 364,560      |
| Post Holdings, Inc., 7.38%, 2/15/22  |              | 520   | 548,600      |
|  | <b>Par</b>   |       |              |
|  | <b>(000)</b> |       | <b>Value</b> |
| <b>Corporate Bonds</b>   |              |       |              |
| <b>Food Products (concluded)</b>   |              |       |              |
| Smithfield Foods, Inc., 6.63%, 8/15/22   | USD          | 477   | \$ 488,925   |
| Sun Merger Sub, Inc. (b):  |              |       |              |
| 5.25%, 8/01/18   |              | 558   | 560,092      |
| 5.88%, 8/01/21   |              | 175   | 174,563      |
|  |              |       | 2,659,535    |
| <b>Health Care Equipment &amp; Supplies 2.3%</b>                                 |              |       |              |
| Biomet, Inc.:  |              |       |              |
| 6.50%, 8/01/20   |              | 1,799 | 1,843,975    |
| 6.50%, 10/01/20  |              | 2,081 | 2,075,797    |
| DJO Finance LLC/DJO Finance Corp.:   |              |       |              |
| 8.75%, 3/15/18   |              | 379   | 410,268      |
| 7.75%, 4/15/18   |              | 100   | 98,250       |
| 9.88%, 4/15/18   |              | 602   | 632,100      |
| Fresenius Medical Care US Finance, Inc., 5.75%, 2/15/21 (b)                      |              | 290   | 295,800      |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)                                |              | 540   | 601,425      |
| IDH Finance PLC, 6.00%, 12/01/18   | GBP          | 103   | 159,220      |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19                           | USD          | 229   | 238,446      |
| Teleflex, Inc., 6.88%, 6/01/19   |              | 295   | 309,750      |
|  |              |       | 6,665,031    |
| <b>Health Care Providers &amp; Services 5.7%</b>                                 |              |       |              |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19      |              | 570   | 609,900      |
| CHS/Community Health Systems, Inc.:  |              |       |              |
| 5.13%, 8/15/18   |              | 785   | 802,663      |
| 8.00%, 11/15/19  |              | 108   | 113,400      |
| 7.13%, 7/15/20   |              | 693   | 699,930      |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)                                    | EUR          | 368   | 517,981      |
| Crown Newco 3 PLC, 7.00%, 2/15/18 (b)  | GBP          | 364   | 575,937      |
| DaVita HealthCare Partners, Inc., 5.75%, 8/15/22                                 | USD          | 893   | 884,070      |
| HCA Holdings, Inc., 6.25%, 2/15/21   |              | 736   | 737,840      |
| HCA, Inc.:   |              |       |              |
| 8.50%, 4/15/19   |              | 135   | 145,800      |
| 6.50%, 2/15/20   |              | 1,452 | 1,559,085    |
| 7.88%, 2/15/20   |              | 275   | 296,656      |
| 7.25%, 9/15/20   |              | 1,250 | 1,360,937    |
| 5.88%, 3/15/22   |              | 580   | 598,850      |
| 4.75%, 5/01/23   |              | 392   | 366,030      |
| Health Management Associates, Inc., 7.38%, 1/15/20                               |              | 210   | 234,675      |
| Hologic, Inc., 6.25%, 8/01/20  |              | 1,468 | 1,530,390    |
| IASIS Healthcare LLC/IASIS Capital Corp., 8.38%, 5/15/19                         |              | 94    | 98,465       |
| inVentiv Health, Inc., 9.00%, 1/15/18 (b)  |              | 630   | 642,600      |
| Omnicare, Inc., 3.75%, 4/01/42 (h)   |              | 291   | 403,217      |
| Symbion, Inc., 8.00%, 6/15/16  |              | 345   | 362,250      |
| Tenet Healthcare Corp.:  |              |       |              |
| 6.25%, 11/01/18  |              | 1,184 | 1,250,600    |
| 6.75%, 2/01/20   |              | 525   | 514,500      |
| 4.38%, 10/01/21 (b)  |              | 760   | 689,700      |
| Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc., 7.75%, 2/01/19 |              | 1,081 | 1,156,670    |
| Voyage Care Bondco PLC, 6.50%, 8/01/18   | GBP          | 230   | 353,936      |
|  |              |       | 16,506,082   |
| <b>Health Care Technology 0.9%</b>   |              |       |              |
| IMS Health, Inc. (b):  |              |       |              |
| 12.50%, 3/01/18  |              | 2,225 | 2,625,500    |
| 6.00%, 11/01/20  | USD          | 143   | 146,754      |
|  |              |       | 2,772,254    |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|   |                      | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |                      |              |
| <b>Hotels, Restaurants &amp; Leisure 3.2%</b>   |                      |                      |              |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b)   | USD                  | 325                  | \$ 329,875   |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18   | EUR                  | 480                  | 643,908      |
| Diamond Resorts Corp., 12.00%, 8/15/18  | USD                  | 1,334                | 1,480,740    |
| Enterprise Inns PLC, 6.50%, 12/06/18  | GBP                  | 324                  | 503,358      |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19   | EUR                  | 476                  | 644,833      |
| Intralot Finance Luxembourg SA, 9.75%, 8/15/18  |                      | 435                  | 595,040      |
| Isle of Capri Casinos, Inc.:  |                      |                      |              |
| 7.75%, 3/15/19  | USD                  | 50                   | 51,625       |
| 5.88%, 3/15/21  |                      | 219                  | 202,575      |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b)                              |                      | 300                  | 294,000      |
| MCE Finance Ltd., 5.00%, 2/15/21 (b)  |                      | 677                  | 621,147      |
| MTR Gaming Group, Inc., 11.50%, 8/01/19 (g)   |                      | 281                  | 296,191      |
| Playa Resorts Holding BV, 8.00%, 8/15/20 (b)  |                      | 150                  | 153,000      |
| PNK Finance Corp., 6.38%, 8/01/21 (b)   |                      | 516                  | 514,710      |
| Regal Entertainment Group, 5.75%, 2/01/25   |                      | 90                   | 82,800       |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b)   |                      | 600                  | 567,000      |
| Station Casinos LLC, 7.50%, 3/01/21   |                      | 1,416                | 1,458,480    |
| Travelport LLC/Travelport Holdings, Inc. (b):   |                      |                      |              |
| 6.40%, 3/01/16 (a)  |                      | 89                   | 86,727       |
| 11.88%, 9/01/16   |                      | 34                   | 32,824       |
| Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/14 (d)(e)                 |                      | 305                  |              |
| The Unique Pub Finance Co. PLC, Series A3, 6.54%, 3/30/21                                   | GBP                  | 300                  | 468,397      |
| Vougeot Bidco PLC, 7.88%, 7/15/20   |                      | 204                  | 324,833      |
| Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.38%, 3/15/22                             | USD                  | 76                   | 75,050       |
|   |                      |                      | 9,427,113    |
| <b>Household Durables 2.6%</b>  |                      |                      |              |
| Algeco Scotsman Global Finance PLC, 9.00%, 10/15/18   | EUR                  | 100                  | 136,460      |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (b)                         | USD                  | 228                  | 225,720      |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  |                      | 50                   | 52,688       |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b)                                |                      | 410                  | 419,225      |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b) | USD                  | 291                  | 287,362      |
| Jarden Corp., 7.50%, 1/15/20  | EUR                  | 305                  | 425,298      |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b)   | USD                  | 950                  | 1,002,250    |
| Libbey Glass, Inc., 6.88%, 5/15/20  |                      | 288                  | 307,800      |
| Pulte Group, Inc., 6.38%, 5/15/33   |                      | 190                  | 170,050      |
| RPG Byty Sro, 6.75%, 5/01/20  | EUR                  | 190                  | 242,325      |
| The Ryland Group, Inc., 6.63%, 5/01/20  | USD                  | 340                  | 352,750      |
| Spie BondCo 3 SCA, 11.00%, 8/15/19  | EUR                  | 303                  | 446,513      |
| Standard Pacific Corp.:   |                      |                      |              |
| 10.75%, 9/15/16   | USD                  | 1,290                | 1,531,875    |
| 8.38%, 1/15/21  |                      | 970                  | 1,086,400    |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc. (b):                            |                      |                      |              |
| 7.75%, 4/15/20  |                      | 300                  | 327,750      |
| 5.25%, 4/15/21  |                      | 270                  | 255,150      |
| William Lyon Homes, Inc., 8.50%, 11/15/20   |                      | 300                  | 318,000      |
|   |                      |                      | 7,587,616    |
| <b>Household Products 0.8%</b>  |                      |                      |              |
| Ontex IV SA:  |                      |                      |              |
| 7.50%, 4/15/18  |                      | 100                  | 138,794      |
| 7.50%, 4/15/18 (b)  | EUR                  | 150                  | 208,192      |
| 9.00%, 4/15/19  |                      | 213                  | 292,068      |
|   | <b>Par<br/>(000)</b> | <b>Value</b>         |              |
| <b>Corporate Bonds</b>  |                      |                      |              |
| <b>Household Products (concluded)</b>   |                      |                      |              |

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|  |     |       |            |
|--|-----|-------|------------|
| Spectrum Brands Escrow Corp. (b):                                      |     |       |            |
| 6.38%, 11/15/20  | USD | 384   | \$ 397,440 |
| 6.63%, 11/15/22  |     | 250   | 256,250    |
| Spectrum Brands, Inc.:   |     |       |            |
| 9.50%, 6/15/18   |     | 950   | 1,045,000  |
| 6.75%, 3/15/20   |     | 96    | 101,280    |
|  |     |       | 2,439,024  |
| <b>Independent Power Producers &amp; Energy Traders 3.9%</b>           |     |       |            |
| Calpine Corp., 7.50%, 2/15/21 (b)                                      |     |       |            |
|  |     | 44    | 46,640     |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.:         |     |       |            |
| 6.88%, 8/15/17 (b)   |     | 414   | 418,658    |
| 11.25%, 12/01/18 (b)(g)  |     | 715   | 561,609    |
| 10.00%, 12/01/20   |     | 3,352 | 3,532,170  |
| 10.00%, 12/01/20 (b)   |     | 1,830 | 1,923,787  |
| 12.25%, 3/01/22 (b)  |     | 1,246 | 1,386,175  |
| GenOn REMA LLC:  |     |       |            |
| Series B, 9.24%, 7/02/17   |     | 88    | 90,302     |
| Series C, 9.68%, 7/02/26   |     | 409   | 433,540    |
| Laredo Petroleum, Inc.:  |     |       |            |
| 9.50%, 2/15/19   |     | 485   | 539,563    |
| 7.38%, 5/01/22   |     | 370   | 390,350    |
| NRG Energy, Inc., 7.63%, 1/15/18                                       |     | 1,591 | 1,762,032  |
| QEP Resources, Inc., 5.38%, 10/01/22                                   |     | 333   | 318,015    |
|  |     |       | 11,402,841 |
| <b>Industrial Conglomerates 0.2%</b>                                   |     |       |            |
| Sequa Corp., 7.00%, 12/15/17 (b)                                       |     |       |            |
|  |     | 465   | 465,000    |
| <b>Insurance 0.8%</b>  |     |       |            |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b) |     |       |            |
|  |     | 1,120 | 1,145,200  |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (b)                         |     | 225   | 235,125    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)                      |     | 664   | 683,920    |
| TMF Group Holding BV, 9.88%, 12/01/19                                  | EUR | 100   | 138,120    |
|  |     |       | 2,202,365  |
| <b>Internet Software &amp; Services 0.4%</b>                           |     |       |            |
| Bankrate, Inc., 6.13%, 8/15/18 (b)                                     |     |       |            |
|  | USD | 293   | 289,704    |
| Cerved Technologies SpA:   |     |       |            |
| 6.38%, 1/15/20   | EUR | 100   | 133,513    |
| 8.00%, 1/15/21   |     | 100   | 132,495    |
| InterActiveCorp, 4.75%, 12/15/22                                       | USD | 421   | 388,373    |
| VeriSign, Inc., 4.63%, 5/01/23 (b)                                     |     | 290   | 271,150    |
|  |     |       | 1,215,235  |
| <b>IT Services 4.7%</b>  |     |       |            |
| Ceridian Corp.:  |     |       |            |
| 11.25%, 11/15/15   |     | 125   | 126,563    |
| 8.88%, 7/15/19 (b)   |     | 1,685 | 1,895,625  |
| 11.00%, 3/15/21 (b)  |     | 2,616 | 3,021,480  |
| Epicor Software Corp., 8.63%, 5/01/19                                  |     | 570   | 601,350    |
| First Data Corp. (b):  |     |       |            |
| 7.38%, 6/15/19   |     | 2,406 | 2,496,225  |
| 8.88%, 8/15/20   |     | 535   | 577,800    |
| 6.75%, 11/01/20  |     | 1,350 | 1,380,375  |
| 10.63%, 6/15/21  |     | 738   | 733,387    |
| 11.75%, 8/15/21  |     | 360   | 336,600    |
| SunGard Data Systems, Inc.:  |     |       |            |
| 7.38%, 11/15/18  |     | 550   | 584,375    |
| 6.63%, 11/01/19  |     | 1,498 | 1,520,470  |
| WEX, Inc., 4.75%, 2/01/23 (b)  |     | 495   | 450,450    |
|  |     |       | 13,724,700 |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000)         | Value        |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Machinery 0.4%</b>   |     |                      |              |
| Cleaver-Brooks, Inc., 8.75%, 12/15/19 (b)   | USD | 330                  | \$ 349,800   |
| DH Services Luxembourg Sarl, 7.75%, 12/15/20 (b)  |     | 93                   | 96,023       |
| Navistar International Corp., 8.25%, 11/01/21   |     | 367                  | 364,706      |
| SPX Corp., 6.88%, 9/01/17   |     | 175                  | 193,812      |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 8.75%, 2/01/19 (b)     |     | 183                  | 178,883      |
|   |     |                      | 1,183,224    |
| <b>Media 9.8%</b>   |     |                      |              |
| <b>AMC Networks, Inc.:</b>  |     |                      |              |
| 7.75%, 7/15/21  |     | 225                  | 248,625      |
| 4.75%, 12/15/22   |     | 292                  | 273,750      |
| <b>Cablevision Systems Corp., 5.88%, 9/15/22</b>  |     |                      |              |
| <b>CCO Holdings LLC/CCO Holdings Capital Corp.:</b>                                     |     |                      |              |
| 5.25%, 9/30/22  |     | 600                  | 547,500      |
| 5.13%, 2/15/23  |     | 745                  | 668,637      |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b)(d)(e)                          |     | 542                  | 397,015      |
| Checkout Holding Corp., 9.91%, 11/15/15 (b)(i)  |     | 453                  | 365,798      |
| Cinemark USA, Inc., 5.13%, 12/15/22   |     | 254                  | 237,490      |
| <b>Clear Channel Communications, Inc.:</b>  |     |                      |              |
| 9.00%, 12/15/19   |     | 676                  | 650,650      |
| 9.00%, 3/01/21  |     | 1,223                | 1,161,850    |
| <b>Clear Channel Worldwide Holdings, Inc.:</b>  |     |                      |              |
| 6.50%, 11/15/22   |     | 621                  | 616,342      |
| Series B, 7.63%, 3/15/20  |     | 958                  | 960,395      |
| Series B, 6.50%, 11/15/22   |     | 1,919                | 1,919,000    |
| <b>DISH DBS Corp.:</b>  |     |                      |              |
| 4.25%, 4/01/18  |     | 530                  | 522,050      |
| 5.13%, 5/01/20  |     | 899                  | 869,782      |
| 5.88%, 7/15/22  |     | 1,010                | 989,800      |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (b)                                      |     | 176                  | 180,840      |
| Harron Communications LP/Harron Finance Corp., 9.13%, 4/01/20 (b)                       |     | 910                  | 987,350      |
| Intelsat Jackson Holdings SA, 5.50%, 8/01/23 (b)  |     | 821                  | 761,477      |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (b)  |     | 1,265                | 1,309,275    |
| <b>Live Nation Entertainment, Inc. (b):</b>   |     |                      |              |
| 8.13%, 5/15/18  |     | 735                  | 802,995      |
| 7.00%, 9/01/20  |     | 194                  | 201,760      |
| Lynx I Corp., 6.00%, 4/15/21  | GBP | 1,020                | 1,584,646    |
| The McClatchy Co., 9.00%, 12/15/22  | USD | 552                  | 582,360      |
| Midcontinent Communications & Finance Corp., 6.25%, 8/01/21 (b)                         |     | 937                  | 939,342      |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b)                                     |     | 496                  | 537,267      |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b) |     | 324                  | 328,050      |
| Nara Cable Funding Ltd., 8.88%, 12/01/18  | EUR | 200                  | 278,406      |
| <b>Nielsen Finance LLC/Nielsen Finance Co.:</b>   |     |                      |              |
| 11.63%, 2/01/14   |     | 117                  | 121,832      |
| 7.75%, 10/15/18   |     | 1,143                | 1,243,012    |
| Odeon & UCI Finco PLC, 9.00%, 8/01/18 (b)   | GBP | 207                  | 330,412      |
| ProQuest LLC/ProQuest Notes Co., 9.00%, 10/15/18 (b)                                    | USD | 181                  | 181,905      |
| ProtoStar I Ltd., 18.00%, 10/15/13 (b)(d)(e)(h)   |     | 850                  | 425          |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (b)                          |     | 265                  | 262,350      |
| <b>Sirius XM Radio, Inc. (b):</b>   |     |                      |              |
| 4.25%, 5/15/20  |     | 517                  | 473,055      |
| 5.75%, 8/01/21  |     | 355                  | 347,900      |
| 4.63%, 5/15/23  |     | 253                  | 223,273      |
|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |                      |              |

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| <b>Media (concluded)</b>   |     |       |            |
|--|-----|-------|------------|
| Sterling Entertainment Corp., 10.00%, 12/15/19                         | USD | 875   | \$ 875,000 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:<br>7.50%, 3/15/19 | EUR | 794   | 1,135,965  |
| 5.50%, 1/15/23 (b)   | USD | 520   | 473,200    |
| Unitymedia KabelBW GmbH, 9.50%, 3/15/21                                | EUR | 320   | 479,918    |
| Univision Communications, Inc. (b):<br>8.50%, 5/15/21                  | USD | 289   | 312,843    |
| 6.75%, 9/15/22   |     | 118   | 122,425    |
| 5.13%, 5/15/23   |     | 704   | 664,400    |
| UPCB Finance II Ltd.:<br>6.38%, 7/01/20                                | EUR | 100   | 138,621    |
| 6.38%, 7/01/20 (b)   |     | 822   | 1,139,467  |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)  | USD | 358   | 370,530    |
|  |     |       | 28,353,785 |
| <b>Metals &amp; Mining 3.6%</b>  |     |       |            |
| ArcelorMittal:<br>9.50%, 2/15/15                                       |     | 315   | 345,713    |
| 4.25%, 8/05/15   |     | 294   | 302,820    |
| 4.25%, 3/01/16   |     | 125   | 127,500    |
| 5.00%, 2/25/17   |     | 369   | 377,302    |
| 6.13%, 6/01/18   |     | 328   | 337,840    |
| Eco-Bat Finance PLC, 7.75%, 2/15/17                                    | EUR | 460   | 620,118    |
| FMG Resources August 2006 Property Ltd. (b):<br>6.38%, 2/01/16         | USD | 1,003 | 1,027,972  |
| 6.00%, 4/01/17   |     | 1,362 | 1,385,835  |
| Global Brass & Copper, Inc., 9.50%, 6/01/19 (b)                        |     | 300   | 327,000    |
| Kaiser Aluminum Corp., 8.25%, 6/01/20                                  |     | 225   | 250,875    |
| New Gold, Inc., 6.25%, 11/15/22 (b)                                    |     | 300   | 287,250    |
| Novelis, Inc., 8.75%, 12/15/20   |     | 3,065 | 3,333,187  |
| Peninsula Energy Ltd., 0.00%, 12/14/14                                 |     | 600   | 600,000    |
| Perstorp Holding AB, 8.75%, 5/15/17 (b)                                |     | 205   | 209,613    |
| Steel Dynamics, Inc., 6.38%, 8/15/22                                   |     | 245   | 255,413    |
| Taseko Mines Ltd., 7.75%, 4/15/19                                      |     | 420   | 413,700    |
| Vedanta Resources PLC, 8.25%, 6/07/21 (b)                              |     | 270   | 253,800    |
|  |     |       | 10,455,938 |
| <b>Multiline Retail 0.4%</b>   |     |       |            |
| Dollar General Corp., 4.13%, 7/15/17                                   |     | 792   | 831,686    |
| Dufry Finance SCA, 5.50%, 10/15/20 (b)                                 |     | 403   | 411,282    |
|  |     |       | 1,242,968  |
| <b>Oil, Gas &amp; Consumable Fuels 9.1%</b>                            |     |       |            |
| Access Midstream Partners LP/ACMP Finance Corp.:<br>5.88%, 4/15/21     |     | 296   | 304,140    |
| 6.13%, 7/15/22   |     | 275   | 282,563    |
| 4.88%, 5/15/23   |     | 445   | 413,850    |
| Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (h)                    |     | 880   | 806,850    |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (b)            |     | 191   | 192,910    |
| Aurora USA Oil & Gas, Inc. (b):<br>9.88%, 2/15/17                      |     | 680   | 717,400    |
| 7.50%, 4/01/20   |     | 330   | 326,700    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21                             |     | 86    | 87,505     |
| BreitBurn Energy Partners LP/BreitBurn Finance Corp., 7.88%, 4/15/22   |     | 255   | 252,450    |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20                                |     | 240   | 253,200    |
| Chaparral Energy, Inc., 7.63%, 11/15/22                                |     | 220   | 220,550    |
| Chesapeake Energy Corp.:<br>7.25%, 12/15/18                            |     | 120   | 135,900    |
| 6.63%, 8/15/20   |     | 84    | 90,090     |

See Notes to Consolidated Financial Statements.





**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                                |     |                      |              |
| Chesapeake Energy Corp.(concluded):   |     |                      |              |
| 6.88%, 11/15/20   | USD | 271                  | \$ 293,358   |
| 6.13%, 2/15/21  |     | 78                   | 81,120       |
| Concho Resources, Inc.:   |     |                      |              |
| 7.00%, 1/15/21  |     | 80                   | 87,800       |
| 6.50%, 1/15/22  |     | 297                  | 314,820      |
| 5.50%, 10/01/22   |     | 365                  | 356,787      |
| 5.50%, 4/01/23  |     | 74                   | 71,780       |
| CONSOL Energy, Inc.:  |     |                      |              |
| 8.00%, 4/01/17  |     | 422                  | 445,210      |
| 8.25%, 4/01/20  |     | 315                  | 333,900      |
| Continental Resources, Inc., 7.13%, 4/01/21                                       |     | 370                  | 405,150      |
| Crosstex Energy LP/Crosstex Energy Finance Corp., 8.88%, 2/15/18                  |     | 150                  | 159,375      |
| Crown Oil Partners IV LP, 15.00%, 3/07/15   |     | 621                  | 646,526      |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (b)                          |     | 342                  | 338,580      |
| Denbury Resources, Inc., 4.63%, 7/15/23   |     | 771                  | 688,117      |
| Energy XXI Gulf Coast, Inc.:  |     |                      |              |
| 9.25%, 12/15/17   |     | 465                  | 517,312      |
| 7.75%, 6/15/19  |     | 540                  | 561,600      |
| EP Energy LLC/EP Energy Finance, Inc., 9.38%, 5/01/20                             |     | 215                  | 236,500      |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19                   |     | 345                  | 366,562      |
| EV Energy Partners LP/EV Energy Finance Corp., 8.00%, 4/15/19                     |     | 150                  | 150,000      |
| Halcon Resources Corp., 8.88%, 5/15/21  |     | 415                  | 416,037      |
| Hilcorp Energy I LP/Hilcorp Finance Corp., 7.63%, 4/15/21 (b)                     |     | 260                  | 276,900      |
| Holly Energy Partners LP/Holly Energy Finance Corp., 6.50%, 3/01/20               |     | 155                  | 159,650      |
| Kodiak Oil & Gas Corp.:   |     |                      |              |
| 8.13%, 12/01/19   |     | 350                  | 383,250      |
| 5.50%, 2/01/22 (b)  |     | 162                  | 156,330      |
| Legacy Reserves LP/Legacy Reserves Finance Corp., 6.63%, 12/01/21 (b)             |     | 153                  | 145,350      |
| Lightstream Resources Ltd., 8.63%, 2/01/20 (b)                                    |     | 256                  | 243,200      |
| Linn Energy LLC/Linn Energy Finance Corp.:  |     |                      |              |
| 6.50%, 5/15/19  |     | 43                   | 40,420       |
| 6.25%, 11/01/19 (b)   |     | 717                  | 659,640      |
| 8.63%, 4/15/20  |     | 777                  | 780,885      |
| 7.75%, 2/01/21  |     | 60                   | 58,200       |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp.:                        |     |                      |              |
| 6.25%, 6/15/22  |     | 164                  | 171,380      |
| 4.50%, 7/15/23  |     | 250                  | 227,500      |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 |     | 199                  | 192,035      |
| Newfield Exploration Co., 6.88%, 2/01/20  |     | 780                  | 817,050      |
| Northern Oil & Gas, Inc., 8.00%, 6/01/20  |     | 310                  | 314,650      |
| Oasis Petroleum, Inc.:  |     |                      |              |
| 7.25%, 2/01/19  |     | 205                  | 217,300      |
| 6.50%, 11/01/21   |     | 290                  | 304,500      |
| Offshore Group Investment Ltd., 7.13%, 4/01/23                                    |     | 422                  | 406,175      |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)   |     | 406                  | 391,790      |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                             |     | 95                   | 97,138       |
| PDC Energy, Inc., 7.75%, 10/15/22   |     | 210                  | 220,500      |
| Penn Virginia Corp., 8.50%, 5/01/20   |     | 201                  | 201,000      |
| Petrobras Global Finance BV, 3.00%, 1/15/19                                       |     | 349                  | 321,014      |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)                                   |     | 775                  | 848,625      |
|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                |     |                      |              |
| Range Resources Corp.:  |     |                      |              |
| 8.00%, 5/15/19  | USD | 345                  | \$ 370,875   |
| 6.75%, 8/01/20  |     | 120                  | 129,300      |

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|  |       |            |
|--|-------|------------|
| 5.75%, 6/01/21   | 981   | 1,027,597  |
| 5.00%, 8/15/22   | 319   | 311,823    |
| 5.00%, 3/15/23   | 157   | 153,468    |
| Regency Energy Partners LP/Regency Energy Finance Corp., 6.88%, 12/01/18         | 113   | 121,193    |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b)           | 126   | 126,000    |
| Rosetta Resources, Inc., 5.63%, 5/01/21  | 266   | 256,690    |
| Sabine Pass Liquefaction LLC (b):  |       |            |
| 5.63%, 2/01/21   | 1,169 | 1,116,395  |
| 5.63%, 4/15/23   | 337   | 312,567    |
| Sabine Pass LNG LP:  |       |            |
| 7.50%, 11/30/16  | 1,730 | 1,905,162  |
| 6.50%, 11/01/20 (b)  | 325   | 326,625    |
| SandRidge Energy, Inc.:  |       |            |
| 8.75%, 1/15/20   | 30    | 31,350     |
| 7.50%, 2/15/23   | 291   | 281,543    |
| SESI LLC, 6.38%, 5/01/19   | 205   | 215,763    |
| Seven Generations Energy Ltd., 8.25%, 5/15/20 (b)                                | 100   | 102,500    |
| SM Energy Co.:   |       |            |
| 6.63%, 2/15/19   | 210   | 219,450    |
| 6.50%, 11/15/21  | 265   | 278,250    |
| 6.50%, 1/01/23   | 310   | 319,300    |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (b) | 285   | 289,275    |
| Tesorro Logistics LP/Tesorro Logistics Finance Corp., 5.88%, 10/01/20 (b)        | 155   | 154,613    |
| Vanguard Natural Resources LLC/VNR Finance Corp., 7.88%, 4/01/20                 | 270   | 273,375    |
|  |       | 26,512,238 |
| <b>Paper &amp; Forest Products 0.6%</b>  |       |            |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b)                                   | 320   | 337,600    |
| Boise Paper Holdings LLC/Boise Co-Issuer Co., 8.00%, 4/01/20                     | 125   | 134,063    |
| Boise Paper Holdings LLC/Boise Finance Co., 9.00%, 11/01/17                      | 60    | 63,150     |
| Clearwater Paper Corp.:  |       |            |
| 7.13%, 11/01/18  | 585   | 628,875    |
| 4.50%, 2/01/23   | 45    | 40,725     |
| NewPage Corp., 11.38%, 12/31/14 (d)(e)   | 1,909 |            |
| Sappi Papier Holding GmbH (b):   |       |            |
| 8.38%, 6/15/19   | 200   | 209,000    |
| 6.63%, 4/15/21   | 140   | 130,200    |
| Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (b)                            | 260   | 260,650    |
|  |       | 1,804,263  |
| <b>Pharmaceuticals 2.2%</b>  |       |            |
| Capsugel Finance Co. SCA:  |       |            |
| 9.88%, 8/01/19 (b)   | EUR   | 200        |
| 9.88%, 8/01/19   |       | 100        |
| Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50%, 12/01/19 (b)               | USD   | 664        |
| Valeant Pharmaceuticals International (b):                                       |       |            |
| 6.88%, 12/01/18  |       | 908        |
| 6.38%, 10/15/20  |       | 271        |
| 6.75%, 8/15/21   |       | 455        |
| VPII Escrow Corp. (b):   |       |            |
| 6.75%, 8/15/18   |       | 2,458      |
| 7.50%, 7/15/21   |       | 149        |

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Pharmaceuticals (concluded)</b>   |     |              |            |
| Warner Chilcott Co. LLC/Warner Chilcott Finance LLC, 7.75%, 9/15/18                          | USD | 615          | \$ 671,888 |
|  |     |              | 6,328,706  |
| <b>Professional Services 0.2%</b>  |     |              |            |
| La Financiere Atalian SA, 7.25%, 1/15/20   | EUR | 120          | 154,633    |
| Truven Health Analytics, Inc., 10.63%, 6/01/20   | USD | 510          | 541,875    |
|  |     |              | 696,508    |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>  |     |              |            |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (b)                  |     | 283          | 289,368    |
| Felcor Lodging LP:<br>6.75%, 6/01/19   |     | 1,023        | 1,071,592  |
| 5.63%, 3/01/23   |     | 258          | 239,940    |
| Host Hotels & Resorts LP, 2.50%, 10/15/29 (b)(h)   |     | 120          | 163,500    |
| iStar Financial, Inc., 4.88%, 7/01/18  |     | 409          | 396,730    |
|  |     |              | 2,161,130  |
| <b>Real Estate Management &amp; Development 2.6%</b>   |     |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20   |     | 335          | 355,938    |
| Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (b)                          |     | 860          | 924,500    |
| IVG Finance BV, 1.75%, 3/29/17 (h)   | EUR | 400          | 343,629    |
| Realogy Corp. (b):<br>7.88%, 2/15/19   | USD | 2,355        | 2,561,062  |
| 7.63%, 1/15/20   |     | 505          | 565,600    |
| 9.00%, 1/15/20   |     | 335          | 386,925    |
| Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (b)                            |     | 339          | 336,458    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                                       |     | 1,405        | 1,541,987  |
| Woodside Homes Co. LLC/Woodside Homes Finance, Inc., 6.75%, 12/15/21 (b)                     |     | 455          | 452,725    |
|  |     |              | 7,468,824  |
| <b>Road &amp; Rail 0.7%</b>  |     |              |            |
| The Hertz Corp.:   |     |              |            |
| 7.50%, 10/15/18  |     | 550          | 594,000    |
| 6.75%, 4/15/19   |     | 290          | 309,212    |
| 5.88%, 10/15/20  |     | 65           | 66,706     |
| 7.38%, 1/15/21   |     | 440          | 475,200    |
| 6.25%, 10/15/22  |     | 265          | 269,638    |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (b)                                       |     | 198          | 195,525    |
|  |     |              | 1,910,281  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                                     |     |              |            |
| NXP BV/NXP Funding LLC (b):  |     |              |            |
| 3.75%, 6/01/18   |     | 430          | 415,488    |
| 9.75%, 8/01/18   |     | 100          | 110,500    |
| 5.75%, 2/15/21   |     | 335          | 335,000    |
|  |     |              | 860,988    |
| <b>Software 1.8%</b>   |     |              |            |
| BMC Software Finance, Inc., 8.13%, 7/15/21 (b)   |     | 720          | 729,000    |
| Healthcare Technology Intermediate, Inc., 7.38%, 9/01/18 (b)(g)                              |     | 337          | 342,055    |
| Igloo Holdings Corp., 8.25%, 12/15/17 (b)(g)   |     | 295          | 301,637    |
| Infor US, Inc., 9.38%, 4/01/19   |     | 2,055        | 2,286,187  |
| Interface Security Systems Holdings, Inc./Interface Security Systems LLC, 9.25%, 1/15/18 (b) |     | 149          | 153,843    |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)   |     | 940          | 895,350      |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Software (concluded)</b>   |     |              |              |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (b)  | USD | 442          | \$ 479,570   |
|   |     |              | 5,187,642    |
| <b>Specialty Retail 3.1%</b>  |     |              |              |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20  |     | 365          | 403,325      |
| Claire's Stores, Inc. (b):  |     |              |              |
| 9.00%, 3/15/19  |     | 869          | 967,849      |
| 7.75%, 6/01/20  |     | 332          | 330,340      |
| CST Brands, Inc., 5.00%, 5/01/23 (b)  |     | 378          | 359,100      |
| House of Fraser Funding PLC:  |     |              |              |
| 8.88%, 8/15/18  | GBP | 321          | 526,530      |
| 8.88%, 8/15/18 (b)  |     | 285          | 467,480      |
| Limited Brands, Inc., 8.50%, 6/15/19  | USD | 785          | 927,281      |
| Magnolia BC SA, 9.00%, 8/01/20  | EUR | 260          | 347,959      |
| Michaels FinCo Holdings LLC/Michaels FinCo, Inc., 7.50%, 8/01/18 (b)(g)                             | USD | 589          | 589,000      |
| Michaels Stores, Inc., 7.75%, 11/01/18  |     | 234          | 251,842      |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (b)(g)                        |     | 216          | 221,940      |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b)   |     | 1,013        | 1,085,176    |
| PC Nextco Holdings LLC/PC Nextco Finance, Inc., 8.75%, 8/15/19 (b)(g)                               |     | 285          | 281,794      |
| Penske Automotive Group, Inc., 5.75%, 10/01/22  |     | 317          | 313,830      |
| QVC, Inc. (b):  |     |              |              |
| 7.50%, 10/01/19   |     | 625          | 673,799      |
| 7.38%, 10/15/20   |     | 290          | 315,099      |
| Sally Holdings LLC/Sally Capital, Inc.:   |     |              |              |
| 6.88%, 11/15/19   |     | 545          | 594,050      |
| 5.75%, 6/01/22  |     | 512          | 512,640      |
|   |     |              | 9,169,034    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b>  |     |              |              |
| Levi Strauss & Co., 6.88%, 5/01/22  |     | 440          | 467,500      |
| PVH Corp., 4.50%, 12/15/22  |     | 253          | 234,341      |
| Quiksilver, Inc./QS Wholesale, Inc., 7.88%, 8/01/18 (b)   |     | 120          | 123,750      |
| SIWF Merger Sub, Inc./Springs Industries, Inc., 6.25%, 6/01/21 (b)                                  |     | 502          | 495,725      |
| The William Carter Co., 5.25%, 8/15/21 (b)  |     | 253          | 254,265      |
|   |     |              | 1,575,581    |
| <b>Thrifts &amp; Mortgage Finance 0.1%</b>  |     |              |              |
| MGIC Investment Corp., 2.00%, 4/01/20 (h)   |     | 51           | 64,133       |
| Radian Group, Inc. (h):   |     |              |              |
| 3.00%, 11/15/17   |     | 60           | 83,062       |
| 2.25%, 3/01/19  |     | 142          | 203,060      |
|   |     |              | 350,255      |
| <b>Trading Companies &amp; Distributors 0.6%</b>  |     |              |              |
| Air Lease Corp., 4.50%, 1/15/16   |     | 590          | 613,600      |
| Ashtead Capital, Inc., 6.50%, 7/15/22 (b)   |     | 490          | 518,175      |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class A, 5.13%, 11/30/24 (b) |     | 616          | 606,509      |
|   |     |              | 1,738,284    |
| <b>Transportation Infrastructure 0.5%</b>   |     |              |              |
| Aguila 3 SA (b):  |     |              |              |
| Series 144, 7.88%, 1/31/18  |     | 320          | 335,200      |
| 7.88%, 1/31/18  |     | 431          | 451,473      |
| Jack Cooper Holdings Corp., 9.25%, 6/01/20 (b)  |     | 740          | 758,500      |
|   |     |              | 1,545,173    |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

(Percentages shown are based on Net Assets)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b>       |
|--|-----|----------------------|--------------------|
| <b>Corporate Bonds</b>   |     |                      |                    |
| <b>Wireless Telecommunication Services 4.6%</b>  |     |                      |                    |
| Crown Castle International Corp., 5.25%, 1/15/23   | USD | 1,126                | \$ 1,064,070       |
| Digicel Group Ltd., 8.25%, 9/30/20 (b)   |     | 425                  | 450,500            |
| Digicel Ltd., 6.00%, 4/15/21 (b)   |     | 2,075                | 2,002,375          |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20   |     | 508                  | 527,050            |
| NII Capital Corp., 7.63%, 4/01/21  |     | 341                  | 260,865            |
| Phones4u Finance PLC:  |     |                      |                    |
| 9.50%, 4/01/18   | GBP | 100                  | 160,394            |
| 9.50%, 4/01/18 (b)   |     | 400                  | 641,576            |
| Softbank Corp., 4.50%, 4/15/20 (b)   | USD | 785                  | 742,170            |
| Sprint Capital Corp., 6.88%, 11/15/28  |     | 1,014                | 915,135            |
| Sprint Communications, Inc. (b):   |     |                      |                    |
| 9.00%, 11/15/18  |     | 3,598                | 4,200,665          |
| 7.00%, 3/01/20   |     | 1,883                | 2,024,225          |
| T-Mobile USA, Inc., 5.25%, 9/01/18 (b)   |     | 375                  | 378,750            |
|  |     |                      | 13,367,775         |
| <b>Total Corporate Bonds 107.1%</b>  |     |                      | <b>311,780,875</b> |
| <b>Floating Rate Loan Interests (a)</b>  |     |                      |                    |
| <b>Airlines 1.0%</b>   |     |                      |                    |
| Delta Air Lines, Inc., Term Loan B1, 4.00%, 10/18/18   |     | 392                  | 392,683            |
| Northwest Airlines, Inc., Term Loan:   |     |                      |                    |
| 2.30%, 3/10/17   |     | 642                  | 593,997            |
| 2.30%, 3/10/17   |     | 643                  | 594,820            |
| 1.68%, 9/10/18   |     | 544                  | 481,099            |
| 1.68%, 9/10/18   |     | 539                  | 477,042            |
| 1.68%, 9/10/18   |     | 535                  | 473,797            |
|  |     |                      | 3,013,438          |
| <b>Auto Components 1.2%</b>  |     |                      |                    |
| Federal-Mogul Corp.:   |     |                      |                    |
| Term Loan B, 2.12% 2.13%, 12/29/14   |     | 2,006                | 1,953,006          |
| Term Loan C, 2.12% 2.13%, 12/28/15   |     | 980                  | 954,580            |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17   |     | 580                  | 580,899            |
|  |     |                      | 3,488,485          |
| <b>Building Products 0.1%</b>  |     |                      |                    |
| Wilsonart International Holdings LLC, Term Loan B, 4.00%, 10/31/19                                 |     | 423                  | 419,264            |
| <b>Capital Markets 0.8%</b>  |     |                      |                    |
| American Capital Holdings, Inc., Term Loan, 4.00%, 8/22/16   |     | 1,416                | 1,420,464          |
| Knight Capital Group, Inc., Term Loan B, 5.75%, 12/05/17   |     | 360                  | 358,427            |
| Nuveen Investments, Inc.:  |     |                      |                    |
| 2nd Lien Term Loan, 6.50%, 2/28/19   |     | 340                  | 338,018            |
| Term Loan, 4.18%, 5/15/17  |     | 120                  | 119,447            |
|  |     |                      | 2,236,356          |
| <b>Chemicals 0.2%</b>  |     |                      |                    |
| MacDermid, Inc., 2nd Lien Term Loan, 7.75%, 12/07/20   |     | 135                  | 136,350            |
| OXEA Finance LLC, 2nd Lien Term Loan, 8.25%, 7/15/20   |     | 300                  | 299,157            |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, Term Loan, 4.75%, 2/03/20 |     | 55                   | 55,219             |
|  |     |                      | 490,726            |

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|   |     |              |              |
|---|-----|--------------|--------------|
| <b>Commercial Services &amp; Supplies 0.4%</b>                        |     |              |              |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16             |     | 409          | 408,838      |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (a)</b>                               |     |              |              |
| <b>Commercial Services &amp; Supplies (concluded)</b>                 |     |              |              |
| Catalent Pharma Solutions, Inc., Term Loan, 6.50%, 12/29/17           | USD | 260          | \$ 260,814   |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18                   |     | 409          | 407,859      |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19                       |     | 260          | 260,244      |
|   |     |              | 1,337,755    |
| <b>Communications Equipment 1.3%</b>                                  |     |              |              |
| Alcatel-Lucent USA, Inc.:   |     |              |              |
| Term Loan C, 5.75%, 1/30/19   |     | 1,403        | 1,408,660    |
| Term Loan D, 6.25%, 1/30/19   | EUR | 547          | 724,900      |
| Avaya, Inc., Term Loan B5, 8.00%, 3/30/18                             | USD | 125          | 118,367      |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.50%, 7/02/19        |     | 1,471        | 1,474,894    |
|   |     |              | 3,726,821    |
| <b>Construction Materials 0.3%</b>                                    |     |              |              |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17                       |     | 859          | 861,427      |
| <b>Containers &amp; Packaging 0.1%</b>                                |     |              |              |
| Tekni-Plex, Inc., Term Loan B, 5.50% 6.50%, 8/25/19                   |     | 265          | 263,675      |
| <b>Diversified Consumer Services 0.3%</b>                             |     |              |              |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18          |     | 143          | 142,277      |
| ServiceMaster Co.:  |     |              |              |
| Extended Term Loan, 4.44%, 1/31/17                                    |     | 165          | 160,279      |
| Term Loan, 4.25%, 1/31/17   |     | 463          | 448,563      |
|   |     |              | 751,119      |
| <b>Diversified Telecommunication Services 0.4%</b>                    |     |              |              |
| Level 3 Financing, Inc.:  |     |              |              |
| 2016 Term Loan, 4.00%, 1/15/20  |     | 405          | 404,664      |
| 2019 Term Loan B, 4.00%, 8/01/19                                      |     | 270          | 269,495      |
| Term Loan, 4.75%, 8/01/19   |     | 480          | 479,496      |
|   |     |              | 1,153,655    |
| <b>Energy Equipment &amp; Services 0.1%</b>                           |     |              |              |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                   |     | 185          | 183,766      |
| <b>Food &amp; Staples Retailing 0.0%</b>                              |     |              |              |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20                    |     | 110          | 112,716      |
| <b>Food Products 0.1%</b>   |     |              |              |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17                  |     | 214          | 215,730      |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>                      |     |              |              |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19 |     | 755          | 752,633      |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18                   |     | 282          | 279,329      |
|   |     |              | 1,031,962    |
| <b>Health Care Providers &amp; Services 0.2%</b>                      |     |              |              |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 9/25/17         |     | 234          | 240,582      |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16             |     | 368          | 358,948      |
|   |     |              | 599,530      |
| <b>Hotels, Restaurants &amp; Leisure 4.3%</b>                         |     |              |              |
| Bally Technologies, Inc., Term Loan B, 4.25%, 8/31/20                 |     | 465          | 464,130      |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20                        |     | 440          | 440,546      |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (a)</b>                                      |     |              |              |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>                         |     |              |              |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20                    | USD | 1,205        | \$ 1,201,988 |
| Harrah s Property Co., Mezzanine Term Loan, 3.68%, 2/13/14                   |     | 7,233        | 6,882,580    |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19                      |     | 541          | 538,496      |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                   |     | 560          | 561,394      |
| Playa Resorts Holding BV, Term Loan B, 4.75%, 8/06/19                        |     | 655          | 656,913      |
| Station Casinos, Inc., Term Loan B, 5.00%, 3/01/20                           |     | 928          | 933,863      |
| Travelport LLC:  |     |              |              |
| 2nd Lien PIK Term Loan 2, 8.38%, 12/01/16                                    |     | 441          | 440,486      |
| 2nd Lien Term Loan 1, 9.50%, 1/29/16   |     | 106          | 109,715      |
| Refinancing Term Loan, 6.25%, 6/26/19  |     | 300          | 302,850      |
|  |     |              | 12,532,961   |
| <b>Industrial Conglomerates 0.2%</b>   |     |              |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                                     |     | 579          | 580,675      |
| <b>Insurance 0.1%</b>  |     |              |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19                       |     | 338          | 339,359      |
| <b>IT Services 0.4%</b>  |     |              |              |
| Ceridian Corp., Term Loan B, 4.43%, 5/09/17                                  |     | 305          | 304,683      |
| First Data Corp., Extended 2018 Term Loan B, 4.18%, 3/23/18                  |     | 785          | 776,710      |
|  |     |              | 1,081,393    |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                               |     |              |              |
| Patheon, Inc., Term Loan,<br>7.25%, 12/06/18                                 |     | 203          | 204,988      |
| <b>Machinery 1.3%</b>  |     |              |              |
| Gardner Denver, Inc.:  |     |              |              |
| Term Loan, 4.25%, 7/30/20  |     | 1,236        | 1,229,649    |
| Term Loan, 4.75%, 7/30/20  | EUR | 1,358        | 1,789,284    |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/20/20                            | USD | 717          | 709,333      |
|  |     |              | 3,728,266    |
| <b>Media 1.6%</b>  |     |              |              |
| Cengage Learning Acquisitions, Inc.:   |     |              |              |
| Non-Extended Term Loan, 4.75%, 7/03/14                                       |     | 320          | 228,335      |
| Tranche 1 Incremental, 6.00%, 7/03/14  |     | 1,598        | 1,128,475    |
| Clear Channel Communications, Inc.:  |     |              |              |
| Term Loan B, 3.83%, 1/29/16  |     | 136          | 126,704      |
| Term Loan C, 3.83%, 1/29/16  |     | 100          | 91,997       |
| Term Loan D, 6.93%, 1/30/19  |     | 1,487        | 1,364,220    |
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18                       |     | 432          | 433,144      |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                             |     | 50           | 47,819       |
| Harron Communications Corp., Refinancing Term Loan B, 3.50%, 6/19/20         |     | 590          | 590,490      |
| TWCC Holding Corp., 2nd Lien Term Loan, 7.00%, 6/26/20                       |     | 225          | 230,625      |
| Univision Communications, Inc., Converted Extended Term Loan, 4.50%, 3/02/20 |     | 247          | 246,441      |
| Virgin Media Investment Holdings Ltd.,<br>Term Loan B, 3.50%, 6/08/20        |     | 120          | 119,396      |
|  |     |              | 4,607,646    |
| <b>Floating Rate Loan Interests (a)</b>                                      |     |              |              |
| <b>Metals &amp; Mining 0.8%</b>  |     |              |              |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20                           | USD | 888          | \$ 907,750   |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17                        |     | 1,430        | 1,434,831    |
|  |     |              | 2,342,581    |

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|  |       |                   |
|--|-------|-------------------|
| <b>Oil, Gas &amp; Consumable Fuels 1.5%</b>                            |       |                   |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17          | 2,225 | 2,265,784         |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                 | 680   | 680,126           |
| Samson Investment Co., 2nd Lien Term Loan, 6.00%, 9/25/18              | 235   | 236,030           |
| <b>Vantage Drilling Co.:</b>   |       |                   |
| Term Loan, 6.25%, 10/26/17   | 864   | 870,412           |
| Term Loan B, 5.75%, 3/22/19  | 369   | 371,843           |
|  |       | 4,424,195         |
| <b>Pharmaceuticals 0.7%</b>  |       |                   |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                      | 975   | 976,833           |
| Par Pharmaceutical, Refinancing Term Loan B, 4.25%, 9/30/19            | 725   | 720,687           |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 310   | 309,644           |
|  |       | 2,007,164         |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                      |       |                   |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17                      | 693   | 692,772           |
| <b>Real Estate Management &amp; Development 0.2%</b>                   |       |                   |
| <b>Realogy Corp.:</b>  |       |                   |
| Extended Letter of Credit, 4.45%, 10/10/16                             | 93    | 93,137            |
| Extended Term Loan, 4.50%, 3/05/20                                     | 459   | 461,374           |
|  |       | 554,511           |
| <b>Road &amp; Rail 0.1%</b>  |       |                   |
| Genesee & Wyoming, Inc., Term Loan A, 2.19%, 9/29/17                   | 272   | 270,839           |
| <b>Software 0.4%</b>   |       |                   |
| BMC Software, Inc., Term Loan, 5.00%, 8/07/20                          | 145   | 144,698           |
| GCA Services Group, Inc., 2nd Lien Term Loan, 9.25%, 10/22/20          | 60    | 60,900            |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                           | 504   | 506,719           |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20                       | 515   | 532,381           |
|  |       | 1,244,698         |
| <b>Specialty Retail 0.3%</b>   |       |                   |
| David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19                     | 542   | 545,117           |
| Party City Holdings, Inc., Refinancing<br>Term Loan B, 4.25%, 7/29/19  | 265   | 264,287           |
|  |       | 809,404           |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                       |       |                   |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18          | 1,126 | 1,077,906         |
| <b>Thrifts &amp; Mortgage Finance 0.2%</b>                             |       |                   |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18                       | 608   | 614,255           |
| <b>Total Floating Rate Loan Interests 19.6%</b>                        |       | <b>57,000,038</b> |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

(Percentages shown are based on Net Assets)

| Investment Companies                   | Shares | Value      |
|--|--------|------------|
| <b>Exchange-Traded Fund 0.2%</b>       |        |            |
| iShares MSCI EAFE Index Fund (n)       | 12,240 | \$ 724,241 |
| <b>Total Investment Companies 0.2%</b> |        | 724,241    |

|  | Beneficial |        |
|--|------------|--------|
|  | Interest   |        |
|  | (000)      |        |
| <b>Other Interests (k)</b>                               |            |        |
| <b>Auto Components 0.0%</b>                              |            |        |
| Lear Corp. Escrow  | USD 460    | 2,300  |
| <b>Chemicals 0.0%</b>                                    |            |        |
| Wellman Holdings, Inc., Litigation Trust Certificate (d) | 2,830      | 28     |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |            |        |
| Buffets, Inc. (d)  | 575        | 6      |
| <b>Media 0.0%</b>  |            |        |
| Adelphia Preferred Escrow (d)                            | 750        | 8      |
| Adelphia Recovery Trust (d)                              | 941        | 9,406  |
|  |            | 9,414  |
| <b>Total Other Interests 0.0%</b>                        |            | 11,748 |

**Preferred Securities**

| Capital Trusts                              | Par   |        |
|---|-------|--------|
| Media 0.0%                                  | (000) |        |
| NBCUniversal Enterprise, Inc., 5.25% (b)(1) | 100   | 97,921 |

**Preferred Stocks**

| Auto Components 1.7%             | Shares |           |
|----------------------------------|--------|-----------|
| Dana Holding Corp., 4.00% (b)(h) | 28,800 | 5,059,800 |

**Trust Preferreds**

| Diversified Financial Services 1.4%                |         |           |
|--|---------|-----------|
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (a) | 152,140 | 4,017,780 |
| <b>Total Preferred Securities 3.1%</b>             |         | 9,175,501 |

**Warrants (m)**

| Containers & Packaging 0.1%   |        |           |
|---|--------|-----------|
| MDP Acquisitions PLC, (Issued/exercisable 12/31/02, 3 Shares for 1 Warrant, Expires 10/01/13, Strike Price EUR 0.001) | 700    | 73,826    |
| <b>Health Care Providers &amp; Services 0.0%</b>  |        |           |
| HealthSouth Corp., (Expires 1/16/14)  | 32,042 |           |
| <b>Media 0.0%</b>   |        |           |
| New Vision Holdings LLC:  |        |           |
| (Expires 9/30/14)   | 19,023 | \$ 29,086 |
| (Expires 9/30/14)   | 3,424  | 6,293     |

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|   |                |                |
|---|----------------|----------------|
|   |                | 35,379         |
| <b>Metals &amp; Mining</b>  | <b>0.0%</b>    |                |
| Peninsula Energy Ltd., (Expires 12/31/15)   | 2,343,076      | 16,058         |
| Peninsula Minerals Ltd., (Expires 12/31/15)   | 3,966,632      | 38,836         |
|   |                | 54,894         |
| <b>Software</b>   | <b>0.0%</b>    |                |
| HMH Holdings/EduMedia, (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27) | 1,164          |                |
| <b>Total Warrants</b>   | <b>0.1%</b>    | 164,099        |
| <b>Total Long-Term Investments</b>  |                |                |
| (Cost \$408,530,445) <b>140.7%</b>  |                | 409,782,331    |
| <b>Short-Term Securities</b>  |                |                |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (n)(o)  | 1,962,371      | 1,962,371      |
| <b>Total Short-Term Securities</b>  |                |                |
| (Cost \$1,962,371) <b>0.7%</b>  |                | 1,962,371      |
| <b>Options Purchased</b>  |                |                |
| (Cost \$1,161,168) <b>0.4%</b>  |                | 1,322,693      |
| <b>Total Investments Before Options Written</b>   |                |                |
| (Cost \$411,653,984) <b>141.8%</b>  |                | 413,067,395    |
| <b>Options Written</b>  |                |                |
| (Premiums Received \$289,600) <b>(0.1)%</b>   |                | (305,850)      |
| <b>Total Investments, Net of Options Written</b>  | <b>141.7%</b>  | 412,761,545    |
| <b>Liabilities in Excess of Other Assets</b>  | <b>(41.7)%</b> | (121,490,754)  |
| <b>Net Assets</b>   | <b>100.0%</b>  | \$ 291,270,791 |

Notes to Consolidated Schedule of investments

(a) Variable rate security. Rate shown is as of report date.

(b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

(c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty               | Value        | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------|--------------|--|
| J.P. Morgan Securities LLC | \$ 1,837,421 |  |

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(f) All or a portion of security has been pledged as collateral in connection with swaps.

(g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(h) Convertible security.

(i) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(k) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(l) Security is perpetual in nature and has no stated maturity date.

(m) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.

(n) Investments in issuers considered to be an affiliate of the Fund during the six months ended August 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held<br>at February 28,<br>2013 | Shares<br>Purchased | Shares<br>Sold | Shares Held<br>at August 31,<br>2013 | Value at<br>August 31,<br>2013 | Income | Realized<br>Loss |
|-----------|--|---------------------|----------------|--------------------------------------|--------------------------------|--------|------------------|
|-----------|--|---------------------|----------------|--------------------------------------|--------------------------------|--------|------------------|

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|   |           |                        |           |              |                       |
|---|-----------|------------------------|-----------|--------------|-----------------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class    | 2,103,451 | (141,080) <sup>1</sup> | 1,962,371 | \$ 1,962,371 | \$ 295                |
| iShares iBoxx \$ High Yield Corporate Bond ETF <sup>2</sup> | 26,548    | (26,548)               |           |              | \$ 12,719 \$ (35,468) |
| iShares MSCI EAFE Index Fund                                | 12,240    |                        | 12,240    | \$ 724,241   | \$ 2,251              |

<sup>1</sup> Represents net shares purchased.

<sup>2</sup> No longer held by the Trust as of report date.

(o) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Financial futures contracts as of August 31, 2013 were as follows:

| Contracts Sold | Issue                    | Exchange               | Expiration    | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------|--------------------------|------------------------|---------------|----------------|--|
| (22)           | 10-Year US Treasury Note | Chicago Board of Trade | December 2013 | \$2,734,188    | \$ (1,409)                             |
| (12)           | 2-Year US Treasury Note  | Chicago Board of Trade | December 2013 | \$2,637,000    | (171)                                  |
| (32)           | 5-Year US Treasury Note  | Chicago Board of Trade | December 2013 | \$3,829,750    | 4,708                                  |
| <b>Total</b>   |                          |                        |               |                | \$ 3,128                               |

Foreign currency exchange contracts as of August 31, 2013 were as follows:

| Currency Purchased |            | Currency Sold |            | Counterparty                | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|-----------------------------|-----------------|--|
| USD                | 336,929    | EUR           | 255,000    | Credit Suisse International | 9/03/13         | \$ (92)                                |
| USD                | 284,920    | GBP           | 184,000    | Bank of America N.A.        | 9/03/13         | (225)                                  |
| EUR                | 255,000    | USD           | 336,953    | Credit Suisse International | 9/25/13         | 91                                     |
| USD                | 1,795,360  | EUR           | 1,345,000  | Barclays PLC                | 9/25/13         | 17,618                                 |
| USD                | 21,315,870 | EUR           | 15,864,000 | UBS AG                      | 9/25/13         | 347,771                                |
| GBP                | 184,000    | USD           | 284,814    | Bank of America N.A.        | 10/22/13        | 226                                    |
| GBP                | 26,000     | USD           | 39,913     | Citibank N.A.               | 10/22/13        | 364                                    |
| USD                | 461,860    | AUD           | 507,000    | UBS AG                      | 10/22/13        | 12,040                                 |
| USD                | 4,358,025  | CAD           | 4,535,000  | JPMorgan Chase Bank N.A.    | 10/22/13        | 57,633                                 |
| USD                | 150,763    | GBP           | 100,000    | Bank of America N.A.        | 10/22/13        | (4,150)                                |
| USD                | 158,155    | GBP           | 102,000    | Bank of America N.A.        | 10/22/13        | 144                                    |
| USD                | 162,564    | GBP           | 105,000    | Barclays PLC                | 10/22/13        | (94)                                   |
| USD                | 9,355,663  | GBP           | 6,204,000  | Deutsche Bank AG            | 10/22/13        | (255,112)                              |
| USD                | 158,151    | GBP           | 104,000    | Deutsche Bank AG            | 10/22/13        | (2,958)                                |
| USD                | 77,498     | GBP           | 49,830     | Deutsche Bank AG            | 10/22/13        | 305                                    |
| <b>Total</b>       |            |               |            |                             |                 | \$ 173,561                             |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund III, Inc. (CYE)

Exchange-traded options purchased as of August 31, 2013 were as follows:

| Description            | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|----------|--------------|-----------------|-----------|--------------|
| SPDR S&P 500 ETF Trust | Put      | USD 165.00   | 9/21/13         | 308       | \$ 103,488   |
| SPDR S&P 500 ETF Trust | Put      | USD 164.00   | 9/21/13         | 1,030     | 292,005      |
| SPDR S&P 500 ETF Trust | Put      | USD 161.00   | 10/19/13        | 1,184     | 355,200      |
| SPDR S&P 500 ETF Trust | Put      | USD 164.00   | 10/19/13        | 1,375     | 572,000      |
| <b>Total</b>           |          |              |                 |           | \$ 1,322,693 |

Over-the-counter options purchased as of August 31, 2013 were as follows:

| Description                    | Counterparty        | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------------------|---------------------|----------|--------------|-----------------|-----------|--------------|
| Marsico Parent Superholdco LLC | Goldman Sachs & Co. | Call     | USD 942.86   | 12/14/19        | 19        |              |

Exchange-traded options written as of August 31, 2013 were as follows:

| Description            | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|----------|--------------|-----------------|-----------|--------------|
| SPDR S&P 500 ETF Trust | Put      | USD 156.00   | 9/21/13         | (1,030)   | \$ (72,100)  |
| SPDR S&P 500 ETF Trust | Put      | USD 156.00   | 10/19/13        | (1,375)   | (233,750)    |
| <b>Total</b>           |          |              |                 |           | \$ (305,850) |

Credit default swaps buy protection outstanding as of August 31, 2013 were as follows:

| Issuer           | Pay        |                  | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid | Unrealized Depreciation |
|------------------|------------|------------------|-----------------|-----------------------|--------------|---------------|-------------------------|
|                  | Fixed Rate | Counterparty     |                 |                       |              |               |                         |
| Radioshack Corp. | 5.00%      | Deutsche Bank AG | 9/20/18         | USD 67                | \$ 16,845    | \$ 20,858     | \$ (4,012)              |
| Radioshack Corp. | 5.00%      | Deutsche Bank AG | 9/20/18         | USD 67                | 16,845       | 20,537        | (3,692)                 |
| Radioshack Corp. | 5.00%      | Deutsche Bank AG | 9/20/18         | USD 67                | 16,846       | 18,609        | (1,764)                 |
| <b>Total</b>     |            |                  |                 |                       | \$ 50,536    | \$ 60,004     | \$ (9,468)              |

Credit default swaps sold protection outstanding as of August 31, 2013 were as follows:

| Issuer/Index                              | Receive    |                          | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---|------------|--------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------------|--|
|   | Fixed Rate | Counterparty             |                 |                            |                                    |              |                   |  |
| Radioshack Corp.                          | 5.00%      | Deutsche Bank AG         | 9/20/15         | CCC                        | USD 67                             | \$ (7,149)   | \$ (10,424)       | \$ 3,275                               |
| Radioshack Corp.                          | 5.00%      | Deutsche Bank AG         | 9/20/15         | CCC                        | USD 67                             | (7,149)      | (10,437)          | 3,289                                  |
| Radioshack Corp.                          | 5.00%      | Deutsche Bank AG         | 9/20/15         | CCC                        | USD 67                             | (7,149)      | (8,546)           | 1,398                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%      | JPMorgan Chase Bank N.A. | 12/20/15        | CCC-                       | USD 274                            | (52,121)     | (78,774)          | 26,653                                 |
| Caesars Entertainment Operating Co., Inc. | 5.00%      | JPMorgan Chase Bank N.A. | 12/20/15        | CCC-                       | USD 76                             | (14,452)     | (18,934)          | 4,482                                  |



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|  |       |                             |          |      |     |       |              |                |            |
|--|-------|-----------------------------|----------|------|-----|-------|--------------|----------------|------------|
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/16  | CCC- | USD | 110   | (24,651)     | (26,228)       | 1,577      |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/16  | CCC- | USD | 110   | (24,651)     | (26,228)       | 1,577      |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/16  | CCC- | USD | 324   | (73,017)     | (74,047)       | 1,031      |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/16  | CCC- | USD | 76    | (17,009)     | (16,404)       | (605)      |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/16  | CCC- | USD | 367   | (82,624)     | (64,344)       | (18,279)   |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | JPMorgan Chase Bank N.A.    | 3/20/16  | CCC- | USD | 44    | (9,830)      | (8,952)        | (878)      |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 6/20/16  | CCC- | USD | 225   | (58,628)     | (56,417)       | (2,212)    |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 6/20/16  | CCC- | USD | 430   | (112,028)    | (104,403)      | (7,625)    |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 6/20/16  | CCC- | USD | 767   | (199,885)    | (188,868)      | (11,017)   |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 6/20/16  | CCC- | USD | 124   | (32,201)     | (25,276)       | (6,926)    |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/17  | CCC- | USD | 202   | (71,576)     | (55,887)       | (15,689)   |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/17  | CCC- | USD | 242   | (85,610)     | (75,123)       | (10,488)   |
| Caesars Entertainment Operating Co., Inc.    | 5.00% | Goldman Sachs International | 3/20/17  | CCC- | USD | 141   | (49,920)     | (41,455)       | (8,466)    |
| Crown Castle International Corp.             | 7.25% | Deutsche Bank AG            | 3/20/17  | B    | USD | 470   | 76,466       |                | 76,466     |
| CCO Holdings LLC                             | 8.00% | Deutsche Bank AG            | 9/20/17  | BB-  | USD | 1,600 | 326,907      |                | 326,907    |
| Level 3 Communications, Inc.                 | 5.00% | Goldman Sachs International | 6/20/19  | CCC+ | USD | 1,000 | 20,768       | (89,035)       | 109,803    |
| Markit CMBX North America AAA Index Series 3 | 0.50% | Citibank N.A.               | 12/13/49 | BBB- | USD | 75    | (8,531)      | (7,054)        | (1,477)    |
| Markit CMBX North America AAA Index Series 3 | 0.50% | Citibank N.A.               | 12/13/49 | BBB- | USD | 155   | (17,630)     | (14,674)       | (2,956)    |
| <b>Total</b>                                 |       |                             |          |      |     |       | \$ (531,670) | \$ (1,001,510) | \$ 469,840 |

<sup>1</sup> Using S&P's rating of the issuer or the underlying securities of the index, as applicable.

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of agreement.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1** unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

**Level 2** other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Consolidated Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2013:

|                               | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|-------------------------------|----------------|----------------|----------------|----------------|
| <b>Assets:</b>                |                |                |                |                |
| <b>Investments:</b>           |                |                |                |                |
| <b>Long-Term Investments:</b> |                |                |                |                |
| Asset-Backed Securities       |                |                | \$ 1,837,421   | \$ 1,837,421   |
| Common Stocks                 | \$ 22,410,105  | \$ 2,208,496   | 4,469,807      | 29,088,408     |
| Corporate Bonds               |                | 308,676,572    | 3,104,303      | 311,780,875    |
| Floating Rate Loan Interests  |                | 48,517,130     | 8,482,908      | 57,000,038     |
| Investment Companies          | 724,241        |                |                | 724,241        |
| Other Interests               | 9,406          |                | 2,342          | 11,748         |
| Preferred Securities          | 4,017,780      | 5,157,721      |                | 9,175,501      |
| Warrants                      | 112,662        |                | 51,437         | 164,099        |
| Short-Term Securities         | 1,962,371      |                |                | 1,962,371      |
| <b>Options Purchased:</b>     |                |                |                |                |
| Equity Contracts              | 1,322,693      |                |                | 1,322,693      |
| Unfunded Loan Commitments     |                | 8,058          |                | 8,058          |
| <b>Total</b>                  | \$ 30,559,258  | \$ 364,567,977 | \$ 17,948,218  | \$ 413,075,453 |

|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| <b>Derivative Financial Instruments<sup>1</sup></b> |                |                |                |              |
| <b>Assets:</b>                                      |                |                |                |              |
| Credit contracts                                    |                | \$ 153,085     | \$ 403,373     | \$ 556,458   |

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|                                     |              |            |            |            |
|-------------------------------------|--------------|------------|------------|------------|
| Interest rate contracts             | \$ 4,708     |            |            | 4,708      |
| Foreign currency exchange contracts |              | 436,192    |            | 436,192    |
| <b>Liabilities:</b>                 |              |            |            |            |
| Credit contracts                    |              | (96,086)   |            | (96,086)   |
| Equity contracts                    | (305,850)    |            |            | (305,850)  |
| Interest rate contracts             | (1,580)      |            |            | (1,580)    |
| Foreign currency exchange contracts | (317)        | (262,314)  |            | (262,631)  |
| <b>Total</b>                        | \$ (303,039) | \$ 230,877 | \$ 403,373 | \$ 331,211 |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options written. Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1   | Level 2          | Level 3 | Total            |
|--|-----------|------------------|---------|------------------|
| <b>Assets:</b>   |           |                  |         |                  |
| Cash   | \$ 1,565  |                  |         | \$ 1,565         |
| Foreign currency at value                              | 11,461    |                  |         | 11,461           |
| Cash pledged for financial futures contracts           | 80,000    |                  |         | 80,000           |
| <b>Liabilities:</b>                                    |           |                  |         |                  |
| Loan payable   |           | \$ (121,000,000) |         | (121,000,000)    |
| Cash received as collateral for over-the-counter swaps |           | (500,000)        |         | (500,000)        |
| <b>Total</b>   | \$ 93,026 | \$ (121,500,000) |         | \$ (121,406,974) |

There were no transfers between Level 1 and Level 2 during the six months ended August 31, 2013.

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants  | Total         |
|---|-------------------------|---------------|-----------------|------------------------------|-----------------|-----------|---------------|
| <b>Assets/Liabilities:</b>                                      |                         |               |                 |                              |                 |           |               |
| Opening Balance, as of February 28, 2013                        |                         | \$ 5,113,705  | \$ 4,368,858    | \$ 14,775,855                | \$ 11,542       | \$ 75,505 | \$ 24,345,465 |
| Transfers into Level 3  |                         |               |                 | 289,955                      |                 |           | 289,955       |
| Transfers out of Level 3 <sup>1</sup>                           |                         | (769)         | (505,856)       | (2,885,615)                  |                 |           | (3,392,240)   |
| Accrued discounts/premiums                                      |                         |               | 2,832           | 23,261                       |                 |           | 26,093        |
| Net realized gain (loss)  |                         | (5,626)       | 26,279          | 209,033                      |                 | 1,117     | 230,803       |
| Net change in unrealized appreciation/depreciation <sup>2</sup> |                         | (637,500)     | (4,558)         | (164,744)                    | (9,200)         | (25,185)  | (841,187)     |
| Purchases   | \$ 1,837,421            |               | 12,300          | 3,819,824                    |                 |           | 5,669,545     |
| Sales   |                         | (3)           | (795,552)       | (7,584,661)                  |                 |           | (8,380,216)   |
| <b>Closing Balance, as of August 31, 2013</b>                   | \$ 1,837,421            | \$ 4,469,807  | \$ 3,104,303    | \$ 8,482,908                 | \$ 2,342        | \$ 51,437 | \$ 17,948,218 |

<sup>1</sup> As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$3,392,240 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2013 was \$(651,814).  
The following table is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

|                | Credit Contracts |
|----------------|------------------|
| <b>Assets:</b> |                  |

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|   |                   |
|---|-------------------|
| Opening Balance, as of February 28, 2013                        |                   |
| Transfers into Level 3  | \$ 468,208        |
| Transfers out of Level 3  |                   |
| Accrued discounts/premiums                                      |                   |
| Net realized gain (loss)  |                   |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | (64,835)          |
| Purchases   |                   |
| Issues <sup>4</sup>   |                   |
| Sales   |                   |
| Settlements <sup>5</sup>  |                   |
| <b>Closing Balance, as of August 31, 2013</b>                   | <b>\$ 403,373</b> |

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held as of August 31, 2013 was \$(64,835).

<sup>4</sup> Issues represent upfront cash received on certain derivative financial instruments.

<sup>5</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (concluded)****BlackRock Corporate High Yield Fund III, Inc. (CYE)**

The following table summarizes the valuation techniques used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee to determine the value of certain of the Fund's Level 3 investments as of August 31, 2013. The table does not include Level 3 investments with values based upon unadjusted third party pricing information. Level 3 investments valued using third party pricing information was \$11,279,072. A significant change in such third party pricing information could result in a significantly lower or higher value of such Level 3 investments.

|                              | Value               | Valuation Techniques        | Unobservable Inputs <sup>1</sup>                                       | Range of Unobservable Inputs Utilized |
|------------------------------|---------------------|-----------------------------|--|---------------------------------------|
| <b>Assets:</b>               |                     |                             |  |                                       |
| Common Stocks <sup>2</sup>   | \$ 211,916          | Market Comparable Companies | Forecasted EBITDA Multiple   | 3.50x                                 |
|                              | 2,171,881           | Market Comparable Companies | 2P (Proved and Probable) Reserves + 2C (Contingent) Resources Multiple | CAD <sup>3</sup> 0.35x 0.53x          |
|                              | 1,423,609           | Market Comparable Companies | PV-10 Multiple <sup>4</sup>  | 0.13x 0.21x                           |
|                              |                     |                             | Offshore EBITDA Multiple   | 8.25x                                 |
|                              |                     |                             | Onshore EBITDA Multiple  | 4.75x                                 |
|                              |                     |                             | Implied Last 12 Months EBITDA Multiple                                 | 6.95x                                 |
| Corporate Bonds <sup>5</sup> | 688,352             | Market Comparable Companies | Yield  | 12.10%                                |
|                              | 425                 | Estimated Recovery Value    | Recovery Rate  | 0.05%                                 |
|                              | 646,526             | Discounted Cash Flow        | Yield  | 12.00%                                |
|                              | 875,000             | Market Comparable Companies | Last 12 Months EBITDA Multiple   | 10.00x                                |
|                              | 600,000             | Cost <sup>6</sup>           | N/A  |                                       |
| Warrants <sup>7</sup>        | 35,379              | Estimated Recovery Value    | Distribution Rate  | \$1.36 \$1.63                         |
|                              | 16,058              | Black-Scholes               | Implied Volatility   | 67.605%                               |
| <b>Total</b>                 | <b>\$ 6,669,146</b> |                             |  |                                       |

<sup>1</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input   | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--|------------------------------------|------------------------------------|
| Forecasted EBITDA Multiple   | Increase                           | Decrease                           |
| 2P (Proved and Probable) Reserves + 2C (Contingent) Resources Multiple | Increase                           | Decrease                           |
| PV-10 Multiple   | Increase                           | Decrease                           |
| Offshore EBITDA Multiple   | Increase                           | Decrease                           |
| Onshore EBITDA Multiple  | Increase                           | Decrease                           |
| Implied Last 12 Months EBITDA Multiple                                 | Increase                           | Decrease                           |
| Yield  | Decrease                           | Increase                           |
| Recovery Rate  | Increase                           | Decrease                           |
| Last 12 Months EBITDA Multiple   | Increase                           | Decrease                           |
| Distribution Rate  | Increase                           | Decrease                           |
| Implied Volatility   | Increase                           | Decrease                           |

<sup>2</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as common stocks changed to a market approach. The investment was previously valued utilizing the company's financial restructuring plan. Market information became available for this investment which is considered to be a more relevant measure of fair value for this investment.

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- <sup>3</sup> Canadian Dollar.
- <sup>4</sup> Present value of estimated future oil and gas revenues, net of estimated direct expenses, discounted at an annual rate of 10%.
- <sup>5</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as corporate bonds changed to a market approach. The investment was previously valued utilizing acquisition cost. Market information became available for this investment which is considered to be a more relevant measure of fair value for this investment.
- <sup>6</sup> The Fund fair values certain of its Level 3 investments using acquisition cost, although the transaction may not have occurred during the current reporting period. These investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.
- <sup>7</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as warrants changed to an as estimated recovery value approach. The investments were previously valued utilizing a discounted vendor price. The estimated recovery value is considered to be a more relevant measure of fair value for these investments.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments** August 31, 2013 (Unaudited)**BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

| <b>Asset-Backed Securities</b>   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| ACAS CLO Ltd., Series 2013-1A, Class D, 4.09%, 4/20/25 (a)(b)                    | USD | 500                  | \$ 471,250   |
| ALM Loan Funding (a)(b)(c):  |     |                      |              |
| Series 2013-7R2A, Class B, 2.86%, 4/24/24  |     | 625                  | 596,875      |
| Series 2013-7RA, Class C, 3.71%, 4/24/24   |     | 1,750                | 1,651,650    |
| Series 2013-7RA, Class D, 5.26%, 4/24/24   |     | 750                  | 688,875      |
| Apidos CDO XI, Series 2012-11A, Class D, 4.52%, 1/17/23 (a)(b)                   |     | 550                  | 546,425      |
| Atrium CDO Corp., Series 9A, Class D, 3.76%, 2/28/24 (a)(b)                      |     | 1,050                | 998,025      |
| Carlyle Global Market Strategies CLO Ltd. (a)(b):                                |     |                      |              |
| Series 2012-4A, Class D, 4.77%, 1/20/25  |     | 600                  | 602,124      |
| Series 2013-1A, Class C, 4.26%, 2/14/25  |     | 250                  | 245,975      |
| Cavalry CLO Ltd., Series 2A, Class D, 4.27%, 1/17/24 (a)(b)                      |     | 500                  | 486,250      |
| CFIP CLO Ltd., Series 2013-1A, Class D, 4.02%, 4/20/24 (a)(b)                    |     | 1,000                | 930,000      |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.27%, 4/20/23 (a)(b)     |     | 765                  | 754,596      |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.27%, 9/20/22 (a)(b)  |     | 1,200                | 1,204,800    |
| LCM IX LP, Series 9A, Class E, 4.47%, 7/14/22 (a)(b)                             |     | 1,000                | 910,400      |
| LCM XI LP, Series 11A, Class D2, 4.22%, 4/19/22 (a)(b)                           |     | 1,300                | 1,274,000    |
| Madison Park Funding I Ltd., Series 2013-11A, Class D, 3.76%, 10/23/25 (a)(b)(c) |     | 305                  | 290,360      |
| OZLM Funding III Ltd., Series 2013-3A, Class C, 4.17%, 1/22/25 (a)(b)            |     | 500                  | 488,750      |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.62%, 10/30/23 (a)(b)               |     | 500                  | 498,400      |
| West CLO Ltd., Series 2012-1A, Class C, 5.02%, 10/30/23 (a)(b)                   |     | 1,145                | 1,151,985    |
| <b>Total Asset-Backed Securities</b> 3.0%  |     |                      | 13,790,740   |

| <b>Common Stocks</b>                                     |  | <b>Shares</b> |              |
|--|--|---------------|--------------|
| <b>Chemicals</b> 0.1%                                    |  |               |              |
| GEO Specialty Chemicals, Inc. (a)(d)                     |  | 339,340       | 271,472      |
| <b>Containers &amp; Packaging</b> 0.2%                   |  |               |              |
| Smurfit Kappa Group PLC                                  |  | 36,342        | 739,145      |
| <b>Diversified Financial Services</b> 0.8%               |  |               |              |
| Kcad Holdings I Ltd.(d)                                  |  | 756,012,055   | 3,817,861    |
| <b>Electrical Equipment</b> 0.0%                         |  |               |              |
| Medis Technologies Ltd. (d)                              |  | 286,757       | 3            |
| <b>Hotels, Restaurants &amp; Leisure</b> 0.0%            |  |               |              |
| HRP PIK Corp., Class B (d)                               |  | 5,000         |              |
| <b>Metals &amp; Mining</b> 0.1%                          |  |               |              |
| Euramax International (d)                                |  | 2,337         | 467,460      |
| <b>Paper &amp; Forest Products</b> 0.9%                  |  |               |              |
| Ainsworth Lumber Co. Ltd. (a)(d)                         |  | 1,256,924     | 3,460,628    |
| NewPage Corp. (d)  |  | 9,120         | 729,600      |
| Western Forest Products, Inc.                            |  | 211,149       | 284,659      |
|  |  |               | 4,474,887    |
| <b>Semiconductors &amp; Semiconductor Equipment</b> 0.0% |  |               |              |
| SunPower Corp. (d)                                       |  | 1,707         | 36,683       |
| <b>Software</b> 0.3%                                     |  |               |              |
| HMH Holdings/EduMedia (d)                                |  | 52,041        | 1,567,744    |
| <b>Common Stocks</b>                                     |  | <b>Shares</b> | <b>Value</b> |
| <b>Specialty Retail</b> 0.0%                             |  |               |              |
| Movie Gallery, Inc. (d)                                  |  | 503,737       | \$ 5         |
| <b>Total Common Stocks</b> 2.4%                          |  |               | 11,375,260   |

| <b>Corporate Bonds</b>              |  | <b>Par<br/>(000)</b> |  |
|-------------------------------------|--|----------------------|--|
| <b>Aerospace &amp; Defense</b> 0.9% |  |                      |  |



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|   |     |       |            |
|---|-----|-------|------------|
| Bombardier, Inc., 4.25%, 1/15/16 (a)  | USD | 980   | 1,013,075  |
| DigitalGlobe, Inc., 5.25%, 2/01/21 (a)  |     | 666   | 624,375    |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21                             |     | 715   | 772,200    |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17                      |     | 1,364 | 1,473,120  |
| Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (a)                                |     | 247   | 251,607    |
|   |     |       | 4,134,377  |
| <b>Airlines 0.8%</b>  |     |       |            |
| Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (a)       |     | 469   | 467,405    |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 |     | 1,485 | 1,506,533  |
| Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 6/17/18      |     | 163   | 178,733    |
| US Airways Group, Inc., 6.13%, 6/01/18  |     | 280   | 254,100    |
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 5/15/23           |     | 1,530 | 1,453,500  |
|   |     |       | 3,860,271  |
| <b>Auto Components 2.2%</b>   |     |       |            |
| Affinia Group, Inc., 7.75%, 5/01/21 (a)   |     | 790   | 811,725    |
| Brighthouse Group PLC, 7.88%, 5/15/18   | GBP | 100   | 156,520    |
| Continental Rubber of America Corp., 4.50%, 9/15/19 (a)                         | USD | 150   | 151,575    |
| Delphi Corp., 6.13%, 5/15/21  |     | 250   | 273,125    |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:                           |     |       |            |
| 7.75%, 1/15/16  |     | 220   | 227,975    |
| 8.00%, 1/15/18  |     | 4,035 | 4,246,837  |
| Jaguar Land Rover Automotive PLC:   |     |       |            |
| 8.25%, 3/15/20  | GBP | 392   | 673,091    |
| 5.63%, 2/01/23 (a)  | USD | 425   | 409,063    |
| Schaeffler Finance BV, 4.25%, 5/15/18   | EUR | 106   | 140,123    |
| Schaeffler Holding Finance BV (e):  |     |       |            |
| 6.88%, 8/15/18 (a)  | USD | 785   | 816,400    |
| 6.88%, 8/15/18  | EUR | 270   | 366,659    |
| Servus Luxembourg Holdings SCA, 7.75%, 6/15/18                                  |     | 175   | 234,804    |
| Titan International, Inc.:  |     |       |            |
| 7.88%, 10/01/17   | USD | 940   | 996,400    |
| 7.88%, 10/01/17 (a)   |     | 530   | 561,800    |
| Venture Holdings Co. LLC (d)(f):  |     |       |            |
| 12.00%, 7/01/49   |     | 4,450 |            |
| Series B, 9.50%, 7/01/05  |     | 1,800 |            |
|   |     |       | 10,066,097 |
| <b>Automobiles 0.1%</b>   |     |       |            |
| Ford Motor Co., 4.25%, 11/15/16 (g)   |     | 314   | 599,740    |
| <b>Beverages 0.0%</b>   |     |       |            |
| Constellation Brands, Inc., 7.25%, 5/15/17                                      |     | 57    | 65,123     |
| <b>Building Products 1.0%</b>   |     |       |            |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (a)            |     | 300   | 291,000    |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (a)                                  |     | 639   | 639,000    |

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Building Products (concluded)</b>  |     |              |              |
| Building Materials Corp. of America (a):  |     |              |              |
| 7.00%, 2/15/20  | USD | 1,000        | \$ 1,062,500 |
| 6.75%, 5/01/21  |     | 590          | 625,400      |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)   |     | 260          | 246,350      |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                                  |     | 375          | 389,062      |
| Texas Industries, Inc., 9.25%, 8/15/20  |     | 378          | 412,965      |
| USG Corp., 9.75%, 1/15/18   |     | 980          | 1,129,450    |
|   |     |              | 4,795,727    |
| <b>Capital Markets 0.2%</b>   |     |              |              |
| E*Trade Financial Corp., 0.00%, 8/31/19 (a)(g)(h)                                       |     | 593          | 804,997      |
| KCG Holdings, Inc., 8.25%, 6/15/18 (a)  |     | 173          | 169,973      |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (a)   |     | 135          | 132,975      |
|   |     |              | 1,107,945    |
| <b>Chemicals 3.0%</b>   |     |              |              |
| Ashland, Inc., 3.88%, 4/15/18 (a)   |     | 475          | 467,875      |
| Chemtura Corp., 5.75%, 7/15/21  |     | 145          | 143,188      |
| Ciech Group Financing AB, 9.50%, 11/30/19   | EUR | 130          | 186,633      |
| GEO Specialty Chemicals, Inc., 7.50%, 3/31/15 (a)                                       | USD | 4,171        | 8,716,945    |
| Huntsman International LLC, 8.63%, 3/15/21  |     | 735          | 819,525      |
| INEOS Finance PLC, 7.50%, 5/01/20 (a)   |     | 295          | 315,650      |
| INEOS Group Holdings SA:  |     |              |              |
| 6.13%, 8/15/18 (a)  |     | 485          | 469,237      |
| 6.50%, 8/15/18  | EUR | 224          | 287,790      |
| LSB Industries, Inc., 7.75%, 8/01/19 (a)  | USD | 218          | 225,630      |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)  |     | 225          | 225,000      |
| Orion Engineered Carbons Bondco GmbH, 9.63%, 6/15/18 (a)                                |     | 800          | 884,000      |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (a)                      |     | 188          | 181,890      |
| Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., 6.50%, 4/15/21 (a)         |     | 706          | 691,880      |
| Tronox Finance LLC, 6.38%, 8/15/20 (a)  |     | 288          | 275,040      |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, 5.75%, 2/01/21 | EUR | 100          | 130,513      |
|   |     |              | 14,020,796   |
| <b>Commercial Banks 0.6%</b>  |     |              |              |
| CIT Group, Inc.:  |     |              |              |
| 5.00%, 5/15/17  | USD | 620          | 643,250      |
| 6.63%, 4/01/18 (a)  |     | 120          | 129,600      |
| 5.50%, 2/15/19 (a)  |     | 1,886        | 1,933,150    |
| Lloyds TSB Bank PLC, 11.88%, 12/16/21 (b)   | EUR | 32           | 52,020       |
|   |     |              | 2,758,020    |
| <b>Commercial Services &amp; Supplies 2.4%</b>  |     |              |              |
| ACCO Brands Corp., 6.75%, 4/30/20   | USD | 212          | 209,350      |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (a)   |     | 206          | 217,330      |
| ARAMARK Corp., 5.75%, 3/15/20 (a)   |     | 1,052        | 1,073,040    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)   |     | 672          | 695,354      |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)                                      |     | 55           | 58,919       |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18  |     | 216          | 218,700      |
| Covanta Holding Corp., 6.38%, 10/01/22  |     | 800          | 811,758      |
| EC Finance PLC, 9.75%, 8/01/17  | EUR | 60           | 86,428       |
| The Geo Group, Inc., 7.75%, 10/15/17  | USD | 850          | 884,000      |
| Interactive Data Corp., 10.25%, 8/01/18   |     | 1,545        | 1,720,821    |
| Mobile Mini, Inc., 7.88%, 12/01/20  |     | 640          | 697,600      |
| UR Merger Sub Corp.:  |     |              |              |

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|   |     |              |              |
|---|-----|--------------|--------------|
| 5.75%, 7/15/18  |     | 877          | 936,197      |
| 7.38%, 5/15/20  |     | 435          | 468,712      |
| 7.63%, 4/15/22  |     | 2,328        | 2,502,600    |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Commercial Services &amp; Supplies (concluded)</b>               |     |              |              |
| Verisure Holding AB:  |     |              |              |
| 8.75%, 9/01/18  | EUR | 178          | \$ 257,603   |
| 8.75%, 12/01/18   |     | 149          | 208,249      |
| West Corp., 8.63%, 10/01/18   | USD | 315          | 340,988      |
|   |     |              | 11,387,649   |
| <b>Communications Equipment 1.1%</b>                                |     |              |              |
| Alcatel-Lucent USA, Inc., 8.88%, 1/01/20 (a)                        |     | 1,526        | 1,556,520    |
| Avaya, Inc. (a):  |     |              |              |
| 7.00%, 4/01/19  |     | 485          | 443,775      |
| 10.50%, 3/01/21   |     | 754          | 582,465      |
| CommScope Holding Co., Inc., 6.63%, 6/01/20 (a)(e)                  |     | 435          | 430,650      |
| Zayo Group LLC/Zayo Capital, Inc.:                                  |     |              |              |
| 8.13%, 1/01/20  |     | 1,000        | 1,085,000    |
| 10.13%, 7/01/20   |     | 1,020        | 1,157,700    |
|   |     |              | 5,256,110    |
| <b>Construction &amp; Engineering 0.1%</b>                          |     |              |              |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (a)   |     | 200          | 201,000      |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23 (a)         |     | 230          | 223,100      |
|   |     |              | 424,100      |
| <b>Construction Materials 1.4%</b>                                  |     |              |              |
| Buzzi Unicem SpA, 6.25%, 9/28/18                                    | EUR | 106          | 149,198      |
| HD Supply, Inc.:  |     |              |              |
| 8.13%, 4/15/19  | USD | 2,938        | 3,268,525    |
| 11.00%, 4/15/20   |     | 556          | 664,420      |
| 7.50%, 7/15/20 (a)(i)   |     | 2,092        | 2,186,140    |
| HeidelbergCement Finance Luxembourg SA, 7.50%, 4/03/20              | EUR | 46           | 71,739       |
|   |     |              | 6,340,022    |
| <b>Consumer Finance 0.1%</b>  |     |              |              |
| Ford Motor Credit Co. LLC:  |     |              |              |
| 7.00%, 4/15/15  | USD | 280          | 302,885      |
| 6.63%, 8/15/17  |     | 148          | 167,124      |
| IVS F. SpA, 7.13%, 4/01/20  | EUR | 170          | 224,119      |
|   |     |              | 694,128      |
| <b>Containers &amp; Packaging 0.6%</b>                              |     |              |              |
| Ardagh Packaging Finance PLC:                                       |     |              |              |
| 7.38%, 10/15/17   |     | 100          | 140,690      |
| 9.13%, 10/15/20 (a)   | USD | 300          | 318,750      |
| Ball Corp., 6.75%, 9/15/20  |     | 310          | 334,800      |
| Berry Plastics Corp., 9.75%, 1/15/21                                |     | 210          | 243,075      |
| Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16       | EUR | 1,243        | 1,642,876    |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | USD | 103          | 108,150      |
|   |     |              | 2,788,341    |
| <b>Distributors 0.1%</b>  |     |              |              |
| VWR Funding, Inc., 7.25%, 9/15/17                                   |     | 615          | 639,600      |
| <b>Diversified Consumer Services 0.7%</b>                           |     |              |              |
| APX Group, Inc. (a):  |     |              |              |
| 6.38%, 12/01/19   |     | 613          | 577,753      |
| 8.75%, 12/01/20   |     | 979          | 964,315      |
| Laureate Education, Inc., 9.25%, 9/01/19 (a)                        |     | 1,025        | 1,107,000    |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (a)                             |     | 494          | 456,950      |
|   |     |              | 3,106,018    |

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Diversified Financial Services 3.7%</b>  |     |              |            |
| Aircastle Ltd., 6.25%, 12/01/19   | USD | 261          | \$ 272,093 |
| Ally Financial, Inc.:   |     |              |            |
| 7.50%, 12/31/13   |     | 90           | 91,575     |
| 8.30%, 2/12/15  |     | 1,330        | 1,436,400  |
| 7.50%, 9/15/20  |     | 1,990        | 2,238,750  |
| 8.00%, 11/01/31   |     | 2,235        | 2,570,250  |
| 8.00%, 11/01/31   |     | 399          | 452,366    |
| CNG Holdings, Inc., 9.38%, 5/15/20 (a)  |     | 128          | 120,000    |
| Co-Operative Group Ltd., 6.88%, 7/08/20 (j)                                       | GBP | 240          | 352,402    |
| DPL, Inc.:  |     |              |            |
| 6.50%, 10/15/16   | USD | 50           | 52,750     |
| 7.25%, 10/15/21   |     | 130          | 132,600    |
| Gala Group Finance PLC, 8.88%, 9/01/18  | GBP | 400          | 660,172    |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (a)                    | USD | 415          | 410,850    |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (a)                      |     | 462          | 453,915    |
| Reynolds Group Issuer, Inc.:  |     |              |            |
| 7.13%, 4/15/19  |     | 1,943        | 2,066,866  |
| 9.00%, 4/15/19  |     | 195          | 201,338    |
| 9.88%, 8/15/19  |     | 1,015        | 1,078,437  |
| 5.75%, 10/15/20   |     | 3,640        | 3,608,150  |
| 6.88%, 2/15/21  |     | 515          | 543,325    |
| WMG Acquisition Corp., 11.50%, 10/01/18   |     | 544          | 626,960    |
|   |     |              | 17,369,199 |
| <b>Diversified Telecommunication Services 1.1%</b>                                |     |              |            |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                       |     | 653          | 639,940    |
| Level 3 Communications, Inc., 8.88%, 6/01/19                                      |     | 520          | 555,100    |
| Level 3 Financing, Inc.:  |     |              |            |
| 8.13%, 7/01/19  |     | 2,902        | 3,068,865  |
| 7.00%, 6/01/20  |     | 340          | 342,550    |
| Telenet Finance V Luxembourg SCA:   |     |              |            |
| 6.25%, 8/15/22  | EUR | 119          | 157,748    |
| 6.75%, 8/15/24  |     | 222          | 297,074    |
| Windstream Corp., 7.75%, 10/15/20   | USD | 29           | 29,653     |
|   |     |              | 5,090,930  |
| <b>Electric Utilities 0.2%</b>  |     |              |            |
| Homer City Generation LP (e):   |     |              |            |
| 8.14%, 10/01/19   |     | 250          | 251,250    |
| 8.73%, 10/01/26   |     | 360          | 365,400    |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17                  |     | 378          | 396,447    |
|   |     |              | 1,013,097  |
| <b>Electrical Equipment 0.3%</b>  |     |              |            |
| Belden, Inc., 5.50%, 9/01/22 (a)  | USD | 360          | 349,200    |
| General Cable Corp., 5.75%, 10/01/22 (a)  |     | 670          | 644,875    |
| Techem GmbH, 6.13%, 10/01/19  | EUR | 200          | 283,927    |
| Trionista TopCo GmbH, 6.88%, 4/30/21  |     | 100          | 133,492    |
|   |     |              | 1,411,494  |
| <b>Energy Equipment &amp; Services 2.5%</b>                                       |     |              |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)  | USD | 1,680        | 1,692,600  |
| CGG, 6.50%, 6/01/21   |     | 1,000        | 1,012,500  |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) |     | 469          | 500,657    |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22   |     | 130          | 131,625    |

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|   |     |       |            |
|---|-----|-------|------------|
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                                    |     | 265   | 268,313    |
| MEG Energy Corp., 6.50%, 3/15/21 (a)  |     | 1,518 | 1,544,565  |
| Oil States International, Inc.:   |     |       |            |
| 6.50%, 6/01/19  |     | 1,319 | 1,391,545  |
| 5.13%, 1/15/23 (a)  |     | 653   | 713,402    |
| <b>Energy Equipment &amp; Services (concluded)</b>                                  |     |       |            |
| Peabody Energy Corp.:   |     |       |            |
| 6.00%, 11/15/18   | USD | 985   | \$ 980,075 |
| 6.25%, 11/15/21   |     | 975   | 940,875    |
| Precision Drilling Corp.:   |     |       |            |
| 6.63%, 11/15/20   |     | 125   | 131,563    |
| 6.50%, 12/15/21   |     | 505   | 527,725    |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (a)                            |     | 377   | 377,000    |
| Seadrill Ltd., 5.63%, 9/15/17 (a)   |     | 783   | 788,872    |
| Tervita Corp., 8.00%, 11/15/18 (a)  |     | 442   | 440,895    |
| Trionista Holdco GmbH, 5.00%, 4/30/20   | EUR | 302   | 403,130    |
|   |     |       | 11,845,342 |
| <b>Food &amp; Staples Retailing 0.2%</b>  |     |       |            |
| Bakkavor Finance 2 PLC:   |     |       |            |
| 8.25%, 2/15/18  | GBP | 192   | 310,188    |
| 8.75%, 6/15/20  |     | 100   | 161,944    |
| R&R Ice Cream PLC, 9.25%, 5/15/18 (e)   | EUR | 100   | 135,469    |
| Rite Aid Corp., 9.25%, 3/15/20  |     | 435   | 492,094    |
|   |     |       | 1,099,695  |
| <b>Food Products 0.4%</b>   |     |       |            |
| Findus Bondco SA:   |     |       |            |
| 9.13%, 7/01/18  |     | 133   | 185,025    |
| 9.50%, 7/01/18  | GBP | 100   | 162,579    |
| Post Holdings, Inc., 7.38%, 2/15/22   | USD | 545   | 574,975    |
| Smithfield Foods, Inc., 6.63%, 8/15/22  |     | 554   | 567,850    |
| Sun Merger Sub, Inc. (a):   |     |       |            |
| 5.25%, 8/01/18  |     | 150   | 150,563    |
| 5.88%, 8/01/21  |     | 140   | 139,650    |
|   |     |       | 1,780,642  |
| <b>Gas Utilities 0.3%</b>   |     |       |            |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., 7.88%, 10/15/18 |     | 1,095 | 1,185,338  |
| <b>Health Care Equipment &amp; Supplies 1.3%</b>                                    |     |       |            |
| Biomet, Inc.:   |     |       |            |
| 6.50%, 8/01/20  |     | 1,211 | 1,241,275  |
| 6.50%, 10/01/20   |     | 2,593 | 2,586,517  |
| DJO Finance LLC/DJO Finance Corp.:  |     |       |            |
| 8.75%, 3/15/18  |     | 295   | 319,338    |
| 7.75%, 4/15/18  |     | 770   | 756,525    |
| 9.88%, 4/15/18  |     | 350   | 367,500    |
| IDH Finance PLC, 6.00%, 12/01/18  | GBP | 103   | 159,220    |
| Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19                              | USD | 232   | 241,570    |
| Teleflex, Inc., 6.88%, 6/01/19  |     | 475   | 498,750    |
|   |     |       | 6,170,695  |
| <b>Health Care Providers &amp; Services 2.0%</b>                                    |     |       |            |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19         |     | 700   | 749,000    |
| CHS/Community Health Systems, Inc.:   |     |       |            |
| 5.13%, 8/15/18  |     | 345   | 352,763    |
| 8.00%, 11/15/19   |     | 399   | 418,950    |
| 7.13%, 7/15/20  |     | 254   | 256,540    |
| Crown Newco 3 PLC:  |     |       |            |
| 7.00%, 2/15/18 (a)  | GBP | 108   | 170,882    |
| 7.00%, 2/15/18  |     | 194   | 306,955    |
| HCA, Inc.:  |     |       |            |
| 7.88%, 2/15/20  | USD | 1,245 | 1,343,044  |
| 7.25%, 9/15/20  |     | 270   | 293,963    |
| Hologic, Inc., 6.25%, 8/01/20   |     | 977   | 1,018,522  |
| IASIS Healthcare LLC/IASIS Capital Corp., 8.38%, 5/15/19                            |     | 68    | 71,230     |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a)   |     | 255   | 260,100    |

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Health Care Providers &amp; Services (concluded)</b>                                     |     |              |            |
| Tenet Healthcare Corp.:   |     |              |            |
| 6.25%, 11/01/18   | USD | 814          | \$ 859,787 |
| 6.75%, 2/01/20  |     | 340          | 333,200    |
| 8.00%, 8/01/20  |     | 382          | 396,803    |
| 4.38%, 10/01/21 (a)   |     | 617          | 559,927    |
| Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc., 7.75%, 2/01/19            |     | 1,680        | 1,797,600  |
|   |     |              | 9,189,266  |
| <b>Health Care Technology 0.8%</b>  |     |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (a)   |     | 3,205        | 3,781,900  |
| <b>Hotels, Restaurants &amp; Leisure 2.3%</b>   |     |              |            |
| Caesars Entertainment Operating Co., Inc., 8.50%, 2/15/20                                   |     | 882          | 842,310    |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (a)   |     | 260          | 263,900    |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18   | EUR | 1,744        | 2,339,532  |
| Diamond Resorts Corp., 12.00%, 8/15/18  | USD | 1,040        | 1,154,400  |
| Gategroup Finance Luxembourg SA, 6.75%, 3/01/19   | EUR | 235          | 318,352    |
| HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (d)(f)                                       | USD | 6,892        | 1          |
| HRP Myrtle Beach Operations LLC (a)(d)(f):  |     |              |            |
| 12.50%, 4/01/13   |     | 5,000        | 1          |
| 12.50%, 4/01/14   |     | 5,000        | 1          |
| Intralot Finance Luxembourg SA, 9.75%, 8/15/18  | EUR | 345          | 471,928    |
| Isle of Capri Casinos, Inc.:  |     |              |            |
| 7.75%, 3/15/19  | USD | 50           | 51,625     |
| 5.88%, 3/15/21  |     | 211          | 195,175    |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)                              |     | 609          | 596,820    |
| Playa Resorts Holding BV, 8.00%, 8/15/20 (a)  |     | 150          | 153,000    |
| PNK Finance Corp., 6.38%, 8/01/21 (a)   |     | 375          | 374,062    |
| Sabre, Inc., 8.50%, 5/15/19 (a)   |     | 577          | 621,717    |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)   |     | 412          | 389,340    |
| Station Casinos LLC, 7.50%, 3/01/21   |     | 1,618        | 1,666,540  |
| Travelport LLC/Travelport Holdings, Inc., 6.40%, 3/01/16 (a)(b)                             |     | 877          | 851,047    |
| Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/14 (d)(f)                 |     | 530          |            |
| The Unique Pub Finance Co. PLC, Series A3, 6.54%, 3/30/21                                   | GBP | 200          | 312,264    |
| Vougeot Bidco PLC, 7.88%, 7/15/20   |     | 103          | 164,009    |
|   |     |              | 10,766,024 |
| <b>Household Durables 1.6%</b>  |     |              |            |
| Algeco Scotsman Global Finance PLC, 9.00%, 10/15/18   | EUR | 280          | 382,089    |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (a)                         | USD | 366          | 362,340    |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  |     | 640          | 674,400    |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a)                                |     | 655          | 669,737    |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (a) |     | 188          | 185,650    |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (a)   |     | 1,505        | 1,587,775  |
| KB Home, 7.25%, 6/15/18   |     | 635          | 673,100    |
| Libbey Glass, Inc., 6.88%, 5/15/20  |     | 145          | 154,969    |
| RPG Byty Sro, 6.75%, 5/01/20  | EUR | 160          | 204,063    |
| Spie BondCo 3 SCA, 11.00%, 8/15/19  |     | 244          | 359,568    |
| Standard Pacific Corp., 8.38%, 1/15/21  | USD | 1,685        | 1,887,200  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a)             |     | 431          | 407,295    |
|   |     |              | 7,548,186  |
| <b>Household Products 0.4%</b>  |     |              |            |
| Ontex IV SA:  |     |              |            |
| 7.50%, 4/15/18  | EUR | 100          | \$ 138,794 |
| 9.00%, 4/15/19  |     | 217          | 297,553    |



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|   |     |       |            |
|---|-----|-------|------------|
| <b>Spectrum Brands Escrow Corp. (a):</b>  |     |       |            |
| 6.38%, 11/15/20   | USD | 175   | 181,125    |
| 6.63%, 11/15/22   |     | 200   | 205,000    |
| Spectrum Brands, Inc., 9.50%, 6/15/18   |     | 840   | 924,000    |
|   |     |       | 1,746,472  |
| <b>Independent Power Producers &amp; Energy Traders 3.1%</b>                        |     |       |            |
| Calpine Corp., 7.50%, 2/15/21 (a)   |     | 157   | 166,420    |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.:                      |     |       |            |
| 6.88%, 8/15/17 (a)  |     | 441   | 445,961    |
| 10.00%, 12/01/20 (a)  |     | 1,875 | 1,971,094  |
| 10.00%, 12/01/20  |     | 6,759 | 7,122,296  |
| 12.25%, 3/01/22 (a)   |     | 821   | 913,363    |
| GenOn REMA LLC:   |     |       |            |
| Series B, 9.24%, 7/02/17  |     | 173   | 177,719    |
| Series C, 9.68%, 7/02/26  |     | 709   | 751,540    |
| Laredo Petroleum, Inc.:   |     |       |            |
| 9.50%, 2/15/19  |     | 1,210 | 1,346,125  |
| 7.38%, 5/01/22  |     | 360   | 379,800    |
| NRG Energy, Inc., 7.63%, 1/15/18  |     | 1,297 | 1,436,428  |
|   |     |       | 14,710,746 |
| <b>Industrial Conglomerates 0.2%</b>  |     |       |            |
| Sequa Corp., 7.00%, 12/15/17 (a)  |     | 735   | 735,000    |
| <b>Insurance 0.2%</b>   |     |       |            |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (a)                                      |     | 215   | 224,675    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                                   | USD | 415   | 427,450    |
| TMF Group Holding BV, 9.88%, 12/01/19   | EUR | 100   | 138,120    |
|   |     |       | 790,245    |
| <b>IT Services 1.9%</b>   |     |       |            |
| Ceridian Corp. (a):   |     |       |            |
| 8.88%, 7/15/19  | USD | 1,885 | 2,120,625  |
| 11.00%, 3/15/21   |     | 723   | 835,065    |
| Epicor Software Corp., 8.63%, 5/01/19   |     | 720   | 759,600    |
| First Data Corp. (a):   |     |       |            |
| 7.38%, 6/15/19  |     | 1,335 | 1,385,062  |
| 6.75%, 11/01/20   |     | 960   | 981,600    |
| 11.75%, 8/15/21   |     | 627   | 586,245    |
| SunGard Data Systems, Inc., 6.63%, 11/01/19   |     | 1,640 | 1,664,600  |
| WEX, Inc., 4.75%, 2/01/23 (a)   |     | 395   | 359,450    |
|   |     |       | 8,692,247  |
| <b>Machinery 0.2%</b>   |     |       |            |
| Gardner Denver, Inc., 6.88%, 8/15/21 (a)  |     | 440   | 430,100    |
| Navistar International Corp., 8.25%, 11/01/21                                       |     | 372   | 369,675    |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 8.75%, 2/01/19 (a) |     | 183   | 178,883    |
|   |     |       | 978,658    |
| <b>Media 3.8%</b>   |     |       |            |
| AMC Networks, Inc., 7.75%, 7/15/21  |     | 605   | 668,525    |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)(d)(f)                      |     | 415   | 303,987    |
| Checkout Holding Corp., 9.91%, 11/15/15 (a)(h)                                      |     | 740   | 597,550    |
| Clear Channel Communications, Inc., 9.00%, 3/01/21                                  |     | 950   | 902,500    |
| Clear Channel Worldwide Holdings, Inc.:   |     |       |            |
| 6.50%, 11/15/22   |     | 684   | 678,870    |
| Series B, 7.63%, 3/15/20  |     | 935   | 937,337    |
| Series B, 6.50%, 11/15/22   |     | 1,846 | 1,846,000  |

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Media (concluded)</b>   |     |              |            |
| DISH DBS Corp.:  |     |              |            |
| 4.25%, 4/01/18   | USD | 960          | \$ 945,600 |
| 5.88%, 7/15/22   |     | 1,265        | 1,239,700  |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (a)                   |     | 219          | 225,023    |
| Intelsat Jackson Holdings SA:  |     |              |            |
| 7.25%, 10/15/20  |     | 1,160        | 1,238,300  |
| 5.50%, 8/01/23 (a)   |     | 737          | 683,567    |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (a)                           |     | 655          | 677,925    |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (a)                  |     | 134          | 139,360    |
| The McClatchy Co., 9.00%, 12/15/22                                   |     | 230          | 242,650    |
| MDC Partners, Inc., 6.75%, 4/01/20 (a)                               |     | 255          | 258,187    |
| Midcontinent Communications & Finance Corp., 6.25%, 8/01/21 (a)      |     | 175          | 175,438    |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)                  |     | 856          | 927,219    |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., |     |              |            |
| 5.00%, 8/01/18 (a)   |     | 308          | 311,850    |
| Nara Cable Funding Ltd., 8.88%, 12/01/18                             | EUR | 200          | 278,406    |
| Nielsen Finance LLC/Nielsen Finance Co., 7.75%, 10/15/18             | USD | 658          | 715,575    |
| ProQuest LLC/ProQuest Notes Co., 9.00%, 10/15/18 (a)                 |     | 139          | 139,695    |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (a)       |     | 420          | 415,800    |
| Sirius XM Radio, Inc. (a):   |     |              |            |
| 5.75%, 8/01/21   |     | 306          | 299,880    |
| 4.63%, 5/15/23   |     | 225          | 198,563    |
| Sterling Entertainment Corp., 10.00%, 12/15/19                       |     | 850          | 850,000    |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:                 |     |              |            |
| 7.50%, 3/15/19   |     | 1,040        | 1,123,200  |
| 5.50%, 1/15/23 (a)   |     | 830          | 755,300    |
| Univision Communications, Inc., 6.75%, 9/15/22 (a)                   |     | 206          | 213,725    |
|  |     |              | 17,989,732 |
| <b>Metals &amp; Mining 2.4%</b>                                      |     |              |            |
| ArcelorMittal:   |     |              |            |
| 9.50%, 2/15/15   |     | 1,345        | 1,476,137  |
| 4.25%, 8/05/15   |     | 521          | 536,630    |
| 5.00%, 2/25/17   |     | 243          | 248,468    |
| 6.13%, 6/01/18   |     | 357          | 367,710    |
| Commercial Metals Co., 4.88%, 5/15/23                                |     | 650          | 588,250    |
| Eco-Bat Finance PLC, 7.75%, 2/15/17                                  | EUR | 305          | 411,165    |
| FMG Resources August 2006 Property Ltd. (a):                         |     |              |            |
| 7.00%, 11/01/15  | USD | 225          | 231,750    |
| 6.38%, 2/01/16   |     | 900          | 922,500    |
| 6.00%, 4/01/17   |     | 465          | 473,138    |
| Global Brass & Copper, Inc., 9.50%, 6/01/19 (a)                      |     | 485          | 528,650    |
| Kaiser Aluminum Corp., 8.25%, 6/01/20                                |     | 360          | 401,400    |
| New Gold, Inc., 6.25%, 11/15/22 (a)                                  |     | 485          | 464,388    |
| Novelis, Inc., 8.75%, 12/15/20                                       |     | 3,625        | 3,942,187  |
| Perstorp Holding AB, 8.75%, 5/15/17 (a)                              |     | 205          | 209,613    |
| RathGibson, Inc., 11.25%, 2/15/14 (d)(f)                             |     | 4,440        |            |
| Steel Dynamics, Inc., 6.38%, 8/15/22                                 |     | 390          | 406,575    |
|  |     |              | 11,208,561 |
| <b>Multiline Retail 0.2%</b>   |     |              |            |
| Dollar General Corp., 4.13%, 7/15/17                                 |     |              |            |
|  |     | 241          | 253,076    |
| Dufry Finance SCA, 5.50%, 10/15/20 (a)                               |     |              |            |
|  |     | 443          | 452,104    |
|  |     |              | 705,180    |

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| <b>Oil, Gas &amp; Consumable Fuels 5.8%</b>                                       |     |       |            |
|---|-----|-------|------------|
| Alpha Natural Resources, Inc., 6.25%, 6/01/21                                     | USD | 302   | \$ 252,925 |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (a)                       |     | 184   | 185,840    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21  |     | 69    | 70,208     |
| Chaparral Energy, Inc., 7.63%, 11/15/22   |     | 215   | 215,538    |
| Chesapeake Energy Corp.:  |     |       |            |
| 7.25%, 12/15/18   |     | 45    | 50,963     |
| 6.63%, 8/15/20  |     | 500   | 536,250    |
| 6.88%, 11/15/20   |     | 285   | 308,513    |
| Concho Resources, Inc., 6.50%, 1/15/22  |     | 414   | 438,840    |
| CONSOL Energy, Inc.:  |     |       |            |
| 8.00%, 4/01/17  |     | 55    | 58,025     |
| 8.25%, 4/01/20  |     | 1,885 | 1,998,100  |
| 6.38%, 3/01/21  |     | 190   | 191,900    |
| Crosstex Energy LP/Crosstex Energy Finance Corp., 8.88%, 2/15/18                  |     | 370   | 393,125    |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (a)                          |     | 275   | 272,250    |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19                                       |     | 1,300 | 1,352,000  |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19                   |     | 440   | 467,500    |
| Halcon Resources Corp., 8.88%, 5/15/21  |     | 666   | 667,665    |
| Hilcorp Energy I LP/Hilcorp Finance Corp., 7.63%, 4/15/21 (a)                     |     | 734   | 781,710    |
| Holly Energy Partners LP/Holly Energy Finance Corp., 6.50%, 3/01/20               |     | 150   | 154,500    |
| Kinder Morgan Finance Co. LLC, 6.00%, 1/15/18 (a)                                 |     | 925   | 1,003,028  |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19   |     | 1,040 | 1,138,800  |
| Lightstream Resources Ltd., 8.63%, 2/01/20 (a)                                    |     | 266   | 252,700    |
| Linn Energy LLC/Linn Energy Finance Corp.:  |     |       |            |
| 6.25%, 11/01/19 (a)   |     | 984   | 905,280    |
| 8.63%, 4/15/20  |     | 1,171 | 1,176,855  |
| 7.75%, 2/01/21  |     | 290   | 281,300    |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 |     | 251   | 242,215    |
| Northern Oil & Gas, Inc., 8.00%, 6/01/20  |     | 505   | 512,575    |
| Oasis Petroleum, Inc.:  |     |       |            |
| 7.25%, 2/01/19  |     | 270   | 286,200    |
| 6.50%, 11/01/21   |     | 290   | 304,500    |
| Offshore Group Investment Ltd., 7.13%, 4/01/23                                    |     | 473   | 455,262    |
| Pacific Drilling SA, 5.38%, 6/01/20 (a)   |     | 431   | 415,915    |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                             |     | 144   | 147,240    |
| PDC Energy, Inc., 7.75%, 10/15/22   |     | 335   | 351,750    |
| Petrobras Global Finance BV, 3.00%, 1/15/19                                       |     | 555   | 510,495    |
| Range Resources Corp.:  |     |       |            |
| 6.75%, 8/01/20  |     | 571   | 615,252    |
| 5.75%, 6/01/21  |     | 1,225 | 1,283,187  |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (a)            |     | 148   | 148,000    |
| Rosetta Resources, Inc., 5.63%, 5/01/21   |     | 275   | 265,375    |
| Sabine Pass Liquefaction LLC (a):   |     |       |            |
| 5.63%, 2/01/21  |     | 1,865 | 1,781,075  |
| 5.63%, 4/15/23  |     | 540   | 500,850    |
| Sabine Pass LNG LP:   |     |       |            |
| 7.50%, 11/30/16   |     | 2,905 | 3,199,131  |
| 6.50%, 11/01/20 (a)   |     | 525   | 527,625    |
| SandRidge Energy, Inc.:   |     |       |            |
| 8.75%, 1/15/20  |     | 68    | 71,060     |
| 7.50%, 2/15/23  |     | 773   | 747,877    |
| SESI LLC, 6.38%, 5/01/19  |     | 336   | 353,640    |
| SM Energy Co.:  |     |       |            |
| 6.63%, 2/15/19  |     | 42    | 43,890     |
| 6.50%, 11/15/21   |     | 425   | 446,250    |

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                               |     |              |            |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (a) | USD | 458          | \$ 464,870 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (a)          |     | 125          | 124,688    |
|  |     |              | 26,952,737 |
| <b>Paper &amp; Forest Products 0.2%</b>  |     |              |            |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (a)                                   |     | 527          | 555,985    |
| NewPage Corp., 11.38%, 12/31/14 (d)(f)   |     | 2,103        |            |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (a)                                    |     | 200          | 209,000    |
|  |     |              | 764,985    |
| <b>Pharmaceuticals 0.4%</b>  |     |              |            |
| Valeant Pharmaceuticals International (a):                                       |     |              |            |
| 6.38%, 10/15/20  |     | 435          | 442,069    |
| 7.25%, 7/15/22   |     | 660          | 699,600    |
| VPII Escrow Corp., 6.75%, 8/15/18 (a)  |     | 643          | 680,776    |
|  |     |              | 1,822,445  |
| <b>Professional Services 0.1%</b>  |     |              |            |
| Truven Health Analytics, Inc., 10.63%, 6/01/20                                   |     | 380          | 403,750    |
| <b>Real Estate Investment Trusts (REITs) 0.4%</b>                                |     |              |            |
| Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (a)      |     | 455          | 465,238    |
| Felcor Lodging LP:   |     |              |            |
| 6.75%, 6/01/19   |     | 929          | 973,127    |
| 5.63%, 3/01/23   |     | 206          | 191,580    |
| iStar Financial, Inc., 4.88%, 7/01/18  |     | 324          | 314,280    |
|  |     |              | 1,944,225  |
| <b>Real Estate Management &amp; Development 1.2%</b>                             |     |              |            |
| Realogy Corp. (a):   |     |              |            |
| 7.88%, 2/15/19   |     | 1,760        | 1,914,000  |
| 7.63%, 1/15/20   |     | 1,190        | 1,332,800  |
| 9.00%, 1/15/20   |     | 310          | 358,050    |
| Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (a)                |     | 546          | 541,905    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                           |     | 1,495        | 1,640,762  |
|  |     |              | 5,787,517  |
| <b>Road &amp; Rail 0.8%</b>  |     |              |            |
| The Hertz Corp.:   |     |              |            |
| 7.50%, 10/15/18  |     | 1,490        | 1,609,200  |
| 6.75%, 4/15/19   |     | 285          | 303,881    |
| 5.88%, 10/15/20  |     | 305          | 313,007    |
| 7.38%, 1/15/21   |     | 1,385        | 1,495,800  |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (a)                           |     | 230          | 227,125    |
|  |     |              | 3,949,013  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                         |     |              |            |
| NXP BV/NXP Funding LLC (a):  |     |              |            |
| 3.75%, 6/01/18   |     | 685          | 661,881    |
| 5.75%, 2/15/21   |     | 545          | 545,000    |
|  |     |              | 1,206,881  |
| <b>Software 0.9%</b>   |     |              |            |
| Healthcare Technology Intermediate, Inc., 7.38%, 9/01/18 (a)(e)                  |     | 216          | 219,240    |
| Infor US, Inc., 9.38%, 4/01/19   |     | 2,420        | 2,692,250  |

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|  |         |              |
|--|---------|--------------|
| Nuance Communications, Inc., 5.38%, 8/15/20 (a)                              | 1,305   | 1,243,013    |
|  |         | 4,154,503    |
| <b>Specialty Retail 0.8%</b>   |         |              |
| Claire's Stores, Inc. (a):   |         |              |
| 9.00%, 3/15/19   | USD 944 | \$ 1,051,380 |
| 7.75%, 6/01/20   | 158     | 157,210      |
| Magnolia BC SA, 9.00%, 8/01/20   | EUR 120 | 160,596      |
| Michaels FinCo Holdings LLC/Michaels FinCo, Inc., 7.50%, 8/01/18 (a)(e)      | USD 450 | 450,000      |
| Michaels Stores, Inc., 7.75%, 11/01/18                                       | 223     | 240,004      |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (a)(e) | 155     | 159,263      |
| Party City Holdings, Inc., 8.88%, 8/01/20 (a)                                | 422     | 452,067      |
| PC Nextco Holdings LLC/PC Nextco Finance, Inc., 8.75%, 8/15/19 (a)(e)        | 184     | 181,930      |
| Sally Holdings LLC/Sally Capital, Inc., 6.88%, 11/15/19                      | 650     | 708,500      |
| Sonic Automotive, Inc., 5.00%, 5/15/23                                       | 96      | 88,800       |
|  |         | 3,649,750    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>                             |         |              |
| Levi Strauss & Co., 6.88%, 5/01/22   | 265     | 281,563      |
| The William Carter Co., 5.25%, 8/15/21 (a)                                   | 249     | 250,245      |
|  |         | 531,808      |
| <b>Trading Companies &amp; Distributors 0.3%</b>                             |         |              |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1 (a):   |         |              |
| Class A, 5.13%, 11/30/24   | 955     | 940,805      |
| Class B, 6.50%, 5/30/21  | 335     | 337,307      |
|  |         | 1,278,112    |
| <b>Transportation Infrastructure 0.1%</b>                                    |         |              |
| Aguila 3 SA, 7.88%, 1/31/18 (a)  | 603     | 631,643      |
| <b>Wireless Telecommunication Services 2.7%</b>                              |         |              |
| Digicel Group Ltd., 8.25%, 9/30/20 (a)                                       | 995     | 1,054,700    |
| Digicel Ltd., 6.00%, 4/15/21 (a)   | 816     | 787,440      |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20                                     | 461     | 478,288      |
| Softbank Corp., 4.50%, 4/15/20 (a)   | 1,260   | 1,191,254    |
| Sprint Capital Corp., 6.88%, 11/15/28  | 1,342   | 1,211,155    |
| Sprint Communications, Inc. (a):   |         |              |
| 9.00%, 11/15/18  | 4,260   | 4,973,550    |
| 7.00%, 3/01/20   | 2,111   | 2,269,325    |
| T-Mobile USA, Inc., 5.25%, 9/01/18 (a)                                       | 600     | 606,000      |
| Wind Acquisition Finance SA, 6.50%, 4/30/20 (a)                              | 202     | 202,000      |
|  |         | 12,773,712   |
| <b>Total Corporate Bonds 58.5%</b>   |         | 273,703,794  |
| <b>Floating Rate Loan Interests (b)</b>                                      |         |              |
| <b>Aerospace &amp; Defense 0.9%</b>  |         |              |
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/31/20                              | 928     | 933,760      |
| Transdigm, Inc., Term Loan C, 3.75%, 2/28/20                                 | 473     | 471,968      |
| TransUnion LLC, Term Loan, 4.25%, 2/10/19                                    | 2,748   | 2,763,596    |
|  |         | 4,169,324    |
| <b>Airlines 0.8%</b>   |         |              |
| Delta Air Lines, Inc., Term Loan B1, 4.00%, 10/18/18                         | 1,843   | 1,846,485    |
| Northwest Airlines, Inc., Term Loan:   |         |              |
| 2.30%, 3/10/17   | 216     | 199,919      |
| 2.30%, 3/10/17   | 216     | 199,919      |
| 1.68%, 9/10/18   | 181     | 159,825      |
| 1.68%, 9/10/18   | 182     | 161,448      |
| 1.68%, 9/10/18   | 182     | 160,637      |
| US Airways Group, Inc., Term Loan B1, 4.25%, 5/23/19                         | 850     | 837,785      |
|  |         | 3,566,018    |

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SEMI-ANNUAL REPORT

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>   |              |            |
| <b>Auto Components 2.7%</b>   |              |            |
| Affinia Group Intermediate Holdings, Inc., Term Loan B2, 4.75%, 4/27/20                               | USD 660      | \$ 660,000 |
| Autoparts Holdings Ltd.:  |              |            |
| 1st Term Loan, 6.50%, 7/28/17   | 1,350        | 1,296,265  |
| 2nd Lien Term Loan, 10.50%, 1/29/18   | 1,800        | 1,733,994  |
| Federal-Mogul Corp.:  |              |            |
| Term Loan B, 2.12% 2.13%, 12/29/14  | 2,857        | 2,782,113  |
| Term Loan C, 2.12% 2.13%, 12/28/15  | 2,289        | 2,229,122  |
| FleetPride Corp., 1st Lien Term Loan, 5.25%, 11/19/19   | 647          | 624,114    |
| The Goodyear Tire & Rubber Co., 2nd Lien Term Loan, 4.75%, 4/30/19                                    | 2,170        | 2,181,219  |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17  | 225          | 225,349    |
| Transtar Holding Co., 1st Lien Term Loan, 5.50%, 10/09/18   | 903          | 907,691    |
|   |              | 12,639,867 |
| <b>Biotechnology 0.2%</b>   |              |            |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17  | 1,018        | 1,023,812  |
| <b>Building Products 0.9%</b>   |              |            |
| Armstrong World Industries, Inc., Term Loan B, 3.50%, 3/16/20   | 474          | 472,154    |
| Continental Building Products LLC, 1st Lien Term Loan, 4.50%, 8/14/20                                 | 665          | 663,889    |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19  | 1,434        | 1,444,919  |
| Wilsonart International Holdings LLC, Term Loan B, 4.00%, 10/31/19                                    | 1,423        | 1,410,699  |
|   |              | 3,991,661  |
| <b>Capital Markets 0.9%</b>   |              |            |
| American Capital Holdings, Inc., Term Loan, 4.00%, 8/22/16  | 1,544        | 1,548,891  |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17  | 586          | 588,741    |
| KCG Holdings, Inc., Term Loan B, 5.75%, 12/05/17  | 795          | 791,526    |
| Nuveen Investments, Inc.:   |              |            |
| 2nd Lien Term Loan, 6.50%, 2/28/19  | 1,021        | 1,015,047  |
| Term Loan, 4.18%, 5/15/17   | 313          | 311,049    |
|   |              | 4,255,254  |
| <b>Chemicals 2.6%</b>   |              |            |
| Allnex (Luxembourg) & Cy SCA, 2nd Lien Term Loan, 8.25%, 4/03/20                                      | 450          | 461,250    |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17  | 379          | 377,969    |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16  | 984          | 989,224    |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19   | 797          | 801,164    |
| General Chemical Corp., Term Loan,<br>5.00% 5.75%, 10/06/15   | 590          | 591,921    |
| INEOS US Finance LLC, 6 Year Term Loan, 4.00%, 5/04/18  | 728          | 721,402    |
| MacDermid, Inc.:  |              |            |
| 1st Lien Term Loan, 4.00%, 6/08/20  | 645          | 645,406    |
| 2nd Lien Term Loan, 7.75%, 12/07/20   | 195          | 196,950    |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17  | 1,678        | 1,662,143  |
| OXEA Finance LLC:   |              |            |
| 2nd Lien Term Loan, 8.25%, 7/15/20  | 695          | 693,047    |
| Term Loan B2, 4.25%, 1/15/20  | 985          | 983,355    |
| Royal Adhesives and Sealants LLC, 1st Lien Term Loan, 5.00%, 7/31/18                                  | 580          | 585,800    |
| <b>Chemicals (concluded)</b>  |              |            |
| Tata Chemicals North America, Inc., Term Loan B, 3.75%, 8/15/20                                       | USD 485      | \$ 484,394 |
| Tronox Pigments (Netherlands) BV, Term Loan, 4.50%, 3/19/20   | 1,018        | 1,027,727  |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17   | 547          | 532,556    |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, Term Loan,<br>4.75%, 2/03/20 | 1,621        | 1,631,474  |
|   |              | 12,385,782 |

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|  |     |       |            |
|--|-----|-------|------------|
| <b>Commercial Services &amp; Supplies 2.4%</b>                         |     |       |            |
| ADS Waste Holdings, Inc., Term Loan B, 4.25%, 10/09/19                 |     | 1,750 | 1,751,311  |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 3.50%, 7/16/18             |     | 418   | 419,800    |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16              |     | 722   | 722,425    |
| Catalent Pharma Solutions, Inc., Term Loan, 6.50%, 12/29/17            |     | 415   | 416,299    |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19               |     | 581   | 584,967    |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18                    |     | 1,683 | 1,678,439  |
| KAR Auction Services, Inc., Term Loan B, 3.75%, 5/19/17                |     | 1,028 | 1,030,333  |
| Learning Care Group (US) No. 2, Inc., Term Loan B, 6.00%, 5/08/19      |     | 385   | 383,718    |
| Livingston International, Inc.:  |     |       |            |
| 1st Lien Term Loan, 5.00%, 4/16/19                                     |     | 570   | 567,150    |
| 2nd Lien Term Loan, 9.00%, 4/16/20                                     |     | 260   | 261,084    |
| Protection One, Inc., Term Loan, 4.25%, 3/21/19                        |     | 948   | 955,115    |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19                        |     | 1,325 | 1,326,245  |
| West Corp., Term Loan B8, 3.75%, 6/29/18                               |     | 1,249 | 1,249,263  |
|  |     |       | 11,346,149 |
| <b>Communications Equipment 2.8%</b>                                   |     |       |            |
| Alcatel-Lucent USA, Inc.:  |     |       |            |
| Term Loan C, 5.75%, 1/30/19  |     | 2,706 | 2,717,415  |
| Term Loan D, 6.25%, 1/30/19  | EUR | 871   | 1,153,251  |
| Avaya, Inc.:   |     |       |            |
| Extended Term Loan B3, 4.76%, 10/26/17                                 | USD | 2,244 | 1,994,024  |
| Term Loan B5, 8.00%, 3/30/18   |     | 377   | 356,098    |
| CommScope, Inc., Term Loan, 3.75%, 1/12/18                             |     | 1,466 | 1,473,581  |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19                  |     | 653   | 657,500    |
| Telesat Canada, Term Loan A, 4.38%, 3/24/17                            | CAD | 2,564 | 2,428,405  |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.50%, 7/02/19         | USD | 2,373 | 2,379,645  |
|  |     |       | 13,159,919 |
| <b>Construction &amp; Engineering 0.7%</b>                             |     |       |            |
| BakerCorp International, Inc., Term Loan, 4.25%, 2/14/20               |     | 1,177 | 1,172,181  |
| Centaur LLC:   |     |       |            |
| 1st Lien Term Loan, 5.25%, 2/15/19                                     |     | 1,037 | 1,043,448  |
| 2nd Lien Term Loan, 8.75%, 2/15/20                                     |     | 510   | 513,825    |
| United States Infrastructure Corp., 1st Lien Term Loan, 4.75%, 7/31/20 |     | 480   | 480,240    |
|  |     |       | 3,209,694  |
| <b>Construction Materials 0.8%</b>                                     |     |       |            |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17                        |     | 3,915 | 3,923,513  |
| <b>Consumer Finance 0.2%</b>   |     |       |            |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17            |     | 785   | 784,604    |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                   |     |              |              |
| <b>Containers &amp; Packaging 0.9%</b>                                    |     |              |              |
| Pact Group Pty Ltd., Term Loan B, 3.75%, 5/29/20                          | USD | 1,720        | \$ 1,700,650 |
| Polarpak, Inc., 1st Lien Canadian Borrower, 4.50%, 6/05/20                |     | 323          | 323,998      |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18                              |     | 678          | 683,152      |
| Tekni-Plex, Inc., Term Loan B,<br>5.50% 6.50%, 8/25/19                    |     | 1,435        | 1,427,825    |
| WNA Holdings Inc., 1st Lien US Borrower, 4.50%, 6/05/20                   |     | 176          | 175,999      |
|   |     |              | 4,311,624    |
| <b>Distributors 0.7%</b>  |     |              |              |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20                           |     | 2,165        | 2,150,928    |
| Crossmark Holdings, Inc., Term Loan, 4.50%, 12/20/19                      |     | 423          | 420,498      |
| VWR Funding, Inc., Extended Add-on Term Loan, 4.18%, 4/03/17              |     | 498          | 497,500      |
|   |     |              | 3,068,926    |
| <b>Diversified Consumer Services 1.3%</b>                                 |     |              |              |
| Bright Horizons Family Solutions, Inc., Term Loan B, 4.00% 5.25%, 1/30/20 |     | 1,025        | 1,025,362    |
| Doncaster US Finance LLC, Term Loan, 5.50%, 4/09/20                       |     | 397          | 399,976      |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18                    |     | 195          | 185,820      |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18              |     | 1,134        | 1,130,104    |
| ROC Finance LLC, Term Loan, 5.00%, 5/15/19                                |     | 450          | 450,563      |
| ServiceMaster Co., Term Loan, 4.25%, 1/31/17                              |     | 1,432        | 1,388,421    |
| Weight Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20         |     | 1,322        | 1,298,769    |
|   |     |              | 5,879,015    |
| <b>Diversified Financial Services 1.2%</b>                                |     |              |              |
| <b>ION Trading Technologies Sarl:</b>                                     |     |              |              |
| 1st Lien Term Loan, 4.50%, 5/22/20  |     | 730          | 729,547      |
| 2nd Lien Term Loan, 8.25%, 5/21/21  |     | 305          | 304,811      |
| Kasima LLC, Term Loan B, 3.25%, 5/17/21                                   |     | 815          | 813,476      |
| Reynolds Group Holdings Inc., Dollar Term Loan, 4.75%, 9/28/18            |     | 2,187        | 2,199,931    |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18                 |     | 318          | 319,291      |
| WMG Acquisition Corp., Term Loan, 3.75%, 7/01/20                          |     | 1,455        | 1,450,751    |
|   |     |              | 5,817,807    |
| <b>Diversified Telecommunication Services 2.7%</b>                        |     |              |              |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18          |     | 1,557        | 1,571,579    |
| Hawaiian Telcom Communications, Inc., Term Loan B, 5.00%, 6/06/19         |     | 2,006        | 2,008,013    |
| <b>Integra Telecom, Inc.:</b>   |     |              |              |
| 1st Lien Term Loan, 5.25%, 2/22/19  |     | 838          | 845,232      |
| 2nd Lien Term Loan, 9.75%, 2/21/20  |     | 420          | 431,025      |
| <b>Level 3 Financing, Inc.:</b>   |     |              |              |
| 2016 Term Loan, 4.00%, 1/15/20  |     | 1,060        | 1,059,120    |
| Term Loan, 4.75%, 8/01/19   |     | 3,380        | 3,376,451    |
| Syniverse Holdings, Inc., Term Loan B, 4.00%, 4/23/19                     |     | 830          | 833,635      |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17                         |     | 2,392        | 2,384,193    |
|   |     |              | 12,509,248   |
| <b>Electronic Equipment, Instruments &amp; Components 0.2%</b>            |     |              |              |
| CDW LLC, Term Loan, 3.50%, 4/29/20  |     | 948          | 936,566      |
| <b>Energy Equipment &amp; Services 0.5%</b>                               |     |              |              |
| Dyegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                        | USD | 800          | \$ 794,664   |
| MEG Energy Corp., Refinancing Term Loan, 3.75%, 3/31/20                   |     | 660          | 660,435      |
| Tervita Corp., Term Loan, 6.25%, 5/15/18                                  |     | 521          | 515,762      |
| Unifrax Corp., Term Loan, 4.25%, 11/28/18                                 |     | 398          | 398,597      |

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|   |             |       |            |
|---|-------------|-------|------------|
|   |             |       | 2,369,458  |
| <b>Food &amp; Staples Retailing</b>                                   | <b>1.4%</b> |       |            |
| Alliance Boots Holdings Ltd., Term Loan B1, 3.48%, 7/09/15            | GBP         | 3,000 | 4,594,242  |
| Rite Aid Corp.:   |             |       |            |
| 2nd Lien Term Loan, 5.75%, 8/21/20                                    | USD         | 430   | 440,617    |
| Term Loan 6, 4.00%, 2/21/20   |             | 404   | 404,492    |
| Supervalu, Inc., Refinancing Term Loan B, 5.00%, 3/21/19              |             | 937   | 939,156    |
| US Foods, Inc., Refinancing Term Loan, 4.50%, 3/29/19                 |             | 350   | 350,290    |
|   |             |       | 6,728,797  |
| <b>Food Products</b>  | <b>2.1%</b> |       |            |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17                  |             | 965   | 973,296    |
| CTI Foods Holding Co, LLC, 1st Lien Term Loan, 4.50%, 6/29/20         |             | 475   | 470,250    |
| Del Monte Foods Co., Term Loan, 4.00%, 3/08/18                        |             | 1,018 | 1,017,628  |
| Dole Food Co., Inc., Term Loan,<br>3.75% 5.00%, 4/01/20               |             | 1,257 | 1,254,600  |
| GFA Brands, Inc., Term Loan B, 5.00%, 7/09/20                         |             | 405   | 405,170    |
| Performance Food Group Co., 2nd Lien Term Loan, 6.25%, 11/14/19       |             | 1,485 | 1,466,438  |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/29/20               |             | 1,297 | 1,282,706  |
| Reddy Ice Group, Inc.:  |             |       |            |
| 1st Lien Term Loan,<br>6.75% 7.75%, 3/28/19                           |             | 1,980 | 1,975,087  |
| 2nd Lien Term Loan, 10.75%, 11/01/19                                  |             | 995   | 980,075    |
|   |             |       | 9,825,250  |
| <b>Health Care Equipment &amp; Supplies</b>                           | <b>2.9%</b> |       |            |
| Arysta LifeScience Corp.:   |             |       |            |
| 1st Lien Term Loan, 4.50%, 5/29/20                                    |             | 1,630 | 1,628,647  |
| 2nd Lien Term Loan, 8.25%, 11/30/20                                   |             | 700   | 697,669    |
| Biomet, Inc., Extended Term Loan B,<br>3.93% 4.02%, 7/25/17           |             | 769   | 770,229    |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19 |             | 1,249 | 1,244,550  |
| DJO Finance LLC, Term Loan B3, 4.75%, 9/15/17                         |             | 2,603 | 2,617,020  |
| Faenza Acquisition GmbH, Term Loan B, 4.25%, 8/14/20                  |             | 695   | 695,292    |
| Hologic Inc., Term Loan B, 3.75%, 8/01/19                             |             | 1,697 | 1,701,403  |
| ImmuCor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18               |             | 1,494 | 1,499,153  |
| Kinetic Concepts, Inc., Term Loan D1, 4.50%, 5/04/18                  |             | 260   | 260,325    |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18                   |             | 747   | 739,976    |
| Onex Carestream Finance LP:   |             |       |            |
| 1st Lien Term Loan, 5.00%, 6/07/19                                    |             | 760   | 765,700    |
| 2nd Lien Term Loan, 9.50%, 6/07/19                                    |             | 890   | 882,212    |
|   |             |       | 13,502,176 |
| <b>Health Care Providers &amp; Services</b>                           | <b>2.8%</b> |       |            |
| American Renal Holdings, Inc.:  |             |       |            |
| 1st Lien Term Loan, 4.50%, 9/20/19                                    |             | 1,072 | 1,062,930  |
| 2nd Lien Term Loan, 8.50%, 2/14/20                                    |             | 850   | 839,375    |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>  |     |              |              |
| <b>Health Care Providers &amp; Services (concluded)</b>                          |     |              |              |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18                         | USD | 507          | \$ 506,181   |
| CHG Buyer Corp., 1st Lien Term Loan, 5.00%, 11/19/19                             |     | 705          | 709,344      |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16                                       |     | 1,712        | 1,718,738    |
| DaVita, Inc.:  |     |              |              |
| Term Loan B, 4.50%, 10/20/16   |     | 1,950        | 1,962,168    |
| Term Loan B2, 4.00%, 11/01/19  |     | 1,109        | 1,113,386    |
| Envision Healthcare Corp., Term Loan, 4.00%, 5/25/18                             |     | 554          | 555,168      |
| Genesis HealthCare Corp., Term Loan B,<br>10.00% 10.75%, 9/25/17                 |     | 964          | 990,077      |
| Ikaria Acquisition, Inc.:  |     |              |              |
| 1st Lien Term Loan, 7.25%, 7/03/18   |     | 515          | 515,968      |
| 2nd Lien Term Loan, 11.00%, 7/03/19  |     | 330          | 330,000      |
| inVentiv Health, Inc.:   |     |              |              |
| Combined Term Loan, 7.50%, 8/04/16   |     | 621          | 605,279      |
| Incremental Term Loan B3, 7.75%, 5/15/18   |     | 545          | 534,583      |
| Surgical Care Affiliates, Inc., Class C Incremental Term Loan, 4.25%, 6/29/18    |     | 785          | 785,000      |
| US Renal Care, Inc., Incremental 1st Lien Term Loan, 5.25%, 7/03/19              |     | 1,045        | 1,044,461    |
|  |     |              | 13,272,658   |
| <b>Health Care Technology 0.7%</b>   |     |              |              |
| IMS Health, Inc., Term Loan B1, 3.75%, 9/01/17                                   |     | 2,624        | 2,625,469    |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19                                    |     | 418          | 418,531      |
|  |     |              | 3,044,000    |
| <b>Hotels, Restaurants &amp; Leisure 4.6%</b>                                    |     |              |              |
| Bally Technologies, Inc., Term Loan B, 4.25%, 8/31/20                            |     | 1,330        | 1,327,513    |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20                        |     | 1,350        | 1,346,625    |
| Caesars Entertainment Operating Co., Inc., Extended Term Loan B6, 5.43%, 1/26/18 |     | 235          | 211,044      |
| Drum Investors LLC, Term Loan, 5.00%, 5/04/18                                    |     | 1,006        | 958,995      |
| Four Seasons Holdings, Inc., 2nd Lien Term Loan, 6.25%, 12/28/20                 |     | 590          | 598,850      |
| Harrah s Property Co., Mezzanine Term Loan, 3.68%, 2/13/14                       |     | 6,077        | 5,781,885    |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19                          |     | 1,084        | 1,079,687    |
| OSI Restaurant Partners LLC, Term Loan, 3.50%, 10/25/19                          |     | 655          | 653,363      |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                       |     | 945          | 947,353      |
| Playa Resorts Holding BV, Term Loan B, 4.75%, 8/06/19                            |     | 735          | 737,146      |
| Sabre, Inc., Term Loan B, 5.25%, 2/19/19   |     | 582          | 587,273      |
| Six Flags Theme Parks, Inc., Term Loan B,<br>4.00% 5.25%, 12/20/18               |     | 387          | 390,421      |
| Station Casinos, Inc., Term Loan B, 5.00%, 3/01/20                               |     | 2,988        | 3,007,439    |
| Travelport LLC:  |     |              |              |
| 2nd Lien Term Loan 1, 9.50%, 1/29/16   |     | 1,040        | 1,076,627    |
| Refinancing Term Loan, 6.25%, 6/26/19  |     | 1,145        | 1,155,877    |
| Twin River Worldwide Holdings, Inc., Term Loan B, 5.25%, 11/09/18                |     | 1,032        | 1,039,536    |
| Wendy s International, Inc., Term Loan B, 3.25%, 5/15/19                         |     | 751          | 748,242      |
|  |     |              | 21,647,876   |
| <b>Household Products 0.8%</b>   |     |              |              |
| Prestige Brands, Inc., Term Loan, 3.75%, 1/31/19                                 | USD | 1,024        | \$ 1,030,037 |
| Spectrum Brands, Inc.:   |     |              |              |
| Term Loan, 4.50% 5.50%, 12/17/19   |     | 1,485        | 1,493,480    |
| Term Loan A, 3.00%, 9/07/17  |     | 855          | 854,136      |
| Term Loan C, 3.50%, 9/04/19  |     | 170          | 169,963      |
| Waddington North America Holdings, Inc., 2nd Lien Term Loan, 8.50%, 12/07/20     |     | 345          | 346,725      |
|  |     |              | 3,894,341    |

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|   |       |            |
|---|-------|------------|
| <b>Independent Power Producers &amp; Energy Traders 1.1%</b>      |       |            |
| The AES Corp., Refinancing Term Loan B, 3.75%, 6/01/18            | 1,376 | 1,382,531  |
| Calpine Construction Finance Co. LP, Term Loan B1, 3.00%, 5/04/20 | 275   | 271,414    |
| Calpine Corp., Term Loan B1, 4.00%, 4/02/18                       | 752   | 753,605    |
| La Frontera Generation LLC, Term Loan, 4.50%, 9/30/20             | 1,985 | 1,986,251  |
| Star West Generation LLC, Term Loan B, 4.25%, 3/13/20             | 743   | 748,711    |
|   |       | 5,142,512  |
| <b>Industrial Conglomerates 0.4%</b>                              |       |            |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                          | 1,888 | 1,894,397  |
| <b>Insurance 1.2%</b>   |       |            |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19            | 756   | 758,567    |
| Asurion LLC, Term Loan B1, 4.50%, 5/24/19                         | 1,085 | 1,070,538  |
| CNO Financial Group, Inc.:  |       |            |
| Term Loan B1, 3.00%, 9/28/16                                      | 629   | 630,126    |
| Term Loan B2, 3.75%, 9/20/18                                      | 927   | 928,589    |
| Cooper Gay Swett & Crawford Ltd.:                                 |       |            |
| 1st Lien Term Loan, 5.00%, 4/16/20                                | 770   | 773,850    |
| 2nd Lien Term Loan, 8.25%, 10/16/20                               | 360   | 364,500    |
| Cunningham Lindsey US, Inc., 1st Lien Term Loan, 5.00%, 12/10/19  | 657   | 648,491    |
| National Financial Partners Corp., Term Loan, 5.25%, 7/01/20      | 315   | 316,773    |
|   |       | 5,491,434  |
| <b>Internet Software &amp; Services 0.2%</b>                      |       |            |
| Web.com Group, Inc., Term Loan B, 4.50%, 10/27/17                 | 701   | 702,878    |
| <b>IT Services 2.6%</b>   |       |            |
| CCC Information Services, Inc., Term Loan, 4.00%, 12/20/19        | 383   | 381,639    |
| Ceridian Corp., Term Loan B, 4.43%, 5/09/17                       | 1,694 | 1,692,452  |
| First Data Corp.:   |       |            |
| 2018 Term Loan, 4.18%, 9/24/18                                    | 1,840 | 1,817,000  |
| Extended 2018 Term Loan B,<br>4.18%, 3/23/18                      | 5,793 | 5,731,924  |
| Genpact International, Inc., Term Loan B, 3.50%, 8/30/19          | 486   | 486,532    |
| InfoGroup, Inc., Term Loan, 8.00%, 5/25/18                        | 606   | 544,069    |
| Moneygram International, Inc., Term Loan B, 4.25%, 3/27/20        | 608   | 609,996    |
| SunGard Data Systems, Inc.:                                       |       |            |
| Term Loan D, 4.50%, 1/31/20                                       | 478   | 481,473    |
| Term Loan E, 4.00%, 3/09/20                                       | 309   | 311,062    |
|   |       | 12,056,147 |
| <b>Leisure Equipment &amp; Products 0.1%</b>                      |       |            |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19                  | 539   | 540,541    |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                    |       |            |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                         | 496   | 499,972    |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Floating Rate Loan Interests (b)</b>  |     |              |            |
| <b>Machinery 2.3%</b>  |     |              |            |
| Alliance Laundry Systems LLC:  |     |              |            |
| 2nd Lien Term Loan, 9.50%, 12/10/19  | USD | 442          | \$ 444,580 |
| Refinancing Term Loan, 4.25%, 12/07/18   |     | 393          | 393,583    |
| Gardner Denver, Inc.:  |     |              |            |
| Term Loan, 4.25%, 7/30/20  |     | 1,365        | 1,357,137  |
| Term Loan, 4.75%, 7/30/20  | EUR | 508          | 669,452    |
| Generac Power Systems, Inc., Term Loan B, 3.50%, 5/29/20                         | USD | 1,445        | 1,436,417  |
| Intelligrated, Inc., 1st Lien Term Loan, 4.50%, 7/30/18                          |     | 794          | 794,992    |
| Mirror Bidco Corp., Term Loan, 5.25%, 12/27/19                                   |     | 1,015        | 1,019,974  |
| Navistar International Corp., Term Loan B, 5.75%, 8/17/17                        |     | 1,176        | 1,191,888  |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/20/20                                |     | 854          | 844,369    |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                            |     | 702          | 695,707    |
| Terex Corp., Refinancing Term Loan B, 5.00%, 4/28/17                             | EUR | 125          | 166,208    |
| Wabash National Corp., Term Loan B, 4.50%, 5/02/19                               | USD | 1,791        | 1,795,872  |
|  |     |              | 10,810,179 |
| <b>Marine 0.2%</b>   |     |              |            |
| HGIM Corp., Term Loan B, 5.50%, 6/18/20  |     | 800          | 802,000    |
| <b>Media 6.5%</b>  |     |              |            |
| Advanstar Communications, Inc., 2nd Lien Term Loan, 9.50%, 6/06/20               |     | 470          | 468,825    |
| Capsugel Holdings US, Inc., Term Loan B, 4.25%, 8/01/18                          |     | 1,051        | 1,058,560  |
| Cengage Learning Acquisitions, Inc., Tranche 1 Incremental, 6.00%, 7/03/14       |     | 1,234        | 871,400    |
| Charter Communications Operating LLC, Term Loan E, 3.00%, 7/01/20                |     | 1,330        | 1,315,596  |
| Clear Channel Communications, Inc.:  |     |              |            |
| Term Loan B, 3.83%, 1/29/16  |     | 256          | 238,797    |
| Term Loan C, 3.83%, 1/29/16  |     | 149          | 136,534    |
| Term Loan D, 6.93%, 1/30/19  |     | 3,252        | 2,982,595  |
| Cumulus Media Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/17/18                 |     | 1,417        | 1,423,397  |
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18                           |     | 888          | 891,182    |
| Fender Musical Instrument Corp., 2019 Term Loan B, 5.75%, 4/03/19                |     | 195          | 195,160    |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%, 7/14/17                           |     | 1,236        | 1,239,509  |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                                 |     | 616          | 592,837    |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19                              |     | 832          | 837,530    |
| Hemisphere Media Group, Inc., Term Loan, 6.25%, 7/30/20                          |     | 905          | 905,000    |
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 5.50%, 6/01/18        |     | 1,506        | 1,505,937  |
| Hubbard Radio LLC, Term Loan B, 4.50%, 4/29/19                                   |     | 887          | 889,711    |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.25%, 4/02/18                       |     | 2,580        | 2,597,140  |
| Kabel Deutschland GmbH, Term Loan F1, 3.25%, 2/01/19                             |     | 380          | 379,384    |
| Lavena Holding 3 GmbH:   |     |              |            |
| Term Loan E2, 4.09%, 3/06/17   | EUR | 298          | 388,883    |
| Term Loan E3, 4.09%, 3/06/17   |     | 597          | 777,765    |
| Lions Gate Entertainment Corp., 2nd Lien Term Loan, 5.00%, 7/17/20               | USD | 400          | 400,332    |
| Live Nation Entertainment, Inc., 2020 Term Loan B, 3.50%, 8/16/20                |     | 410          | 410,640    |
| <b>Media (concluded)</b>   |     |              |            |
| NEP Supershooters LP:  |     |              |            |
| 2nd Lien Term Loan, 9.50%, 8/18/20   | USD | 246          | \$ 250,783 |
| Term Loan, 4.75%, 1/22/20  |     | 1,194        | 1,196,388  |
| Nielsen Finance LLC, Term Loan E, 2.94%, 5/02/16                                 |     | 342          | 342,847    |
| Rentpath, Inc., Term Loan B, 6.25%, 5/29/20                                      |     | 990          | 970,616    |
| Salem Communications Corp., Term Loan B, 4.50%, 3/16/20                          |     | 735          | 738,433    |
| Sinclair Television Group, Inc., Term Loan B, 3.00%, 4/09/20                     |     | 389          | 388,052    |
| Springer Science & Business Media Deutschland GmbH, Term Loan B2, 5.00%, 7/31/20 |     | 1,395        | 1,381,929  |
| TWCC Holding Corp., 2nd Lien Term Loan, 7.00%, 6/26/20                           |     | 845          | 866,125    |
| Univision Communications, Inc., Converted Extended Term Loan, 4.50%, 3/02/20     |     | 1,959        | 1,953,031  |
| UPC Financing Partnership:   |     |              |            |
| Term Loan AG, 3.88%, 3/26/21   | EUR | 396          | 523,092    |

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|   |     |       |            |
|---|-----|-------|------------|
| Term Loan AH, 3.25%, 6/30/21                                      | USD | 255   | 253,771    |
| WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18                       |     | 497   | 497,634    |
| WideOpenWest Finance LLC, Term Loan B, 4.75%, 4/01/19             |     | 648   | 652,295    |
|   |     |       | 30,521,710 |
| <b>Metals &amp; Mining 2.4%</b>                                   |     |       |            |
| <b>Ameriforge Group, Inc.:</b>                                    |     |       |            |
| 1st Lien Term Loan, 5.00%, 12/19/19                               |     | 677   | 676,181    |
| 2nd Lien Term Loan, 8.75%, 12/18/20                               |     | 335   | 337,931    |
| API Heat Transfer Inc., Term Loan, 5.25%, 5/03/19                 |     | 695   | 686,313    |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20                |     | 1,501 | 1,535,015  |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17             |     | 2,320 | 2,327,804  |
| Murray Energy Corp., Term Loan B, 4.75%, 5/24/19                  |     | 370   | 369,260    |
| Novelis, Inc., Term Loan, 3.75%, 3/10/17                          |     | 2,175 | 2,172,281  |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18                 |     | 485   | 481,704    |
| Walter Energy, Inc., Term Loan B, 6.75%, 4/02/18                  |     | 1,579 | 1,504,450  |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17               |     | 1,126 | 1,152,396  |
|   |     |       | 11,243,335 |
| <b>Multiline Retail 2.0%</b>                                      |     |       |            |
| <b>99¢ Only Stores, Term Loan,</b>                                |     |       |            |
| 5.25% 6.25%, 1/11/19  |     | 1,295 | 1,303,129  |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/31/20                  |     | 873   | 874,837    |
| <b>BJ's Wholesale Club, Inc.:</b>                                 |     |       |            |
| 2nd Lien Term Loan, 9.75%, 3/26/20                                |     | 510   | 519,884    |
| Replacement Term Loan, 4.25%, 9/26/19                             |     | 734   | 734,371    |
| <b>HEMA Holding BV:</b>   |     |       |            |
| Extended 2nd Lien Term Loan, 5.88%, 1/05/18                       | EUR | 2,900 | 3,602,818  |
| Extended Term Loan B, 4.50%, 12/06/17                             |     | 346   | 455,954    |
| Extended Term Loan C, 4.50%, 12/06/17                             |     | 317   | 417,562    |
| JC Penney Corp., Inc., 1st Lien Term Loan, 6.00%, 5/21/18         | USD | 595   | 579,875    |
| The Neiman Marcus Group, Inc., Extended Term Loan, 4.00%, 5/16/18 |     | 1,064 | 1,063,554  |
|   |     |       | 9,551,984  |
| <b>Oil, Gas &amp; Consumable Fuels 3.4%</b>                       |     |       |            |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17     |     | 1,920 | 1,955,194  |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                |     |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                     |     |              |              |
| Drillships Financing Holding Inc., Term Loan B2, 5.50%, 7/15/16        | USD | 1,510        | \$ 1,521,325 |
| EP Energy LLC, Term Loan B3, 3.50%, 5/24/18                            |     | 793          | 789,700      |
| GIM Channelview Cogeneration LLC, Term Loan B, 4.25%, 5/08/20          |     | 485          | 485,810      |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                 |     | 1,311        | 1,310,895    |
| Pacific Drilling SA, Term Loan B, 4.50%, 6/04/18                       |     | 1,015        | 1,018,806    |
| Panda Temple II Power LCC, Term Loan B, 7.25%, 4/03/19                 |     | 650          | 658,125      |
| Philadelphia Energy Solutions LLC, Term Loan B, 6.25%, 4/04/18         |     | 682          | 655,032      |
| Power Team Services LLC:   |     |              |              |
| 1st Lien Term Loan, 4.25%, 5/06/20                                     |     | 360          | 355,950      |
| 2nd Lien Term Loan, 8.25%, 11/06/20                                    |     | 200          | 196,000      |
| Quicksilver Resources, Inc., 2nd Lien Term Loan, 7.00%, 6/21/19        |     | 400          | 380,000      |
| Ruby Western Pipeline Holdings LLC, Term Loan B, 3.50%, 3/27/20        |     | 525          | 522,857      |
| Samson Investment Co., 2nd Lien Term Loan, 6.00%, 9/25/18              |     | 525          | 527,300      |
| State Class Tankers II LLC, Term Loan B, 6.75%, 6/22/20                |     | 1,090        | 1,095,450    |
| Tesoro Corp., Term Loan B, 2.51%, 1/29/16                              |     | 983          | 983,353      |
| Total Safety US, Inc.:   |     |              |              |
| 1st Lien Term Loan, 5.75%, 3/13/20                                     |     | 743          | 747,782      |
| 2nd Lien Term Loan, 9.25%, 9/11/20                                     |     | 289          | 294,337      |
| Vantage Drilling Co.:  |     |              |              |
| Term Loan, 6.25%, 10/26/17   |     | 1,717        | 1,729,271    |
| Term Loan B, 5.75%, 3/22/19  |     | 688          | 693,437      |
|  |     |              | 15,920,624   |
| <b>Paper &amp; Forest Products 0.2%</b>                                |     |              |              |
| NewPage Corp., Exit Term Loan, 7.75%, 12/21/18                         |     | 848          | 859,791      |
| <b>Pharmaceuticals 2.3%</b>  |     |              |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                      |     | 1,755        | 1,758,299    |
| Par Pharmaceutical, Refinancing Term Loan B, 4.25%, 9/30/19            |     | 3,047        | 3,030,834    |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 |     | 2,025        | 2,022,813    |
| Quintiles Transnational Corp., Term Loan B, 4.00%, 6/08/18             |     | 756          | 758,313      |
| Valeant Pharmaceuticals International, Inc.:                           |     |              |              |
| Series C1 Term Loan B, 4.38%, 12/11/19                                 |     | 584          | 585,268      |
| Series D1 Term Loan B, 4.38%, 2/13/19                                  |     | 1,117        | 1,120,165    |
| Term Loan E, 4.50%, 8/05/20  |     | 652          | 656,919      |
| Warner Chilcott Corp.:   |     |              |              |
| Incremental Term Loan B1, 4.25%, 3/15/18                               |     | 275          | 274,908      |
| Term Loan B1, 4.25%, 3/15/18   |     | 631          | 631,501      |
|  |     |              | 10,839,020   |
| <b>Professional Services 1.1%</b>                                      |     |              |              |
| Emdeon Business Services LLC, Term Loan B2, 3.75%, 11/02/18            |     | 2,334        | 2,338,498    |
| ON Assignment, Inc., Refinancing Term Loan B, 3.50%, 4/30/20           |     | 449          | 446,925      |
| SIRVA Worldwide, Inc., Term Loan, 7.50%, 3/27/19                       |     | 768          | 766,155      |
| TriNet Group, Inc., Term Loan B2, 5.00%, 8/14/20                       |     | 585          | 579,150      |
| Truven Health Analytics, Inc., Term Loan B, 4.50%, 6/01/19             |     | 1,049        | 1,052,484    |
|  |     |              | 5,183,212    |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                      |     |              |              |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17                      | USD | 2,303        | \$ 2,302,748 |
| <b>Real Estate Management &amp; Development 0.7%</b>                   |     |              |              |
| Realogy Corp.:   |     |              |              |
| Extended Letter of Credit, 4.45%, 10/10/16                             |     | 347          | 348,540      |
| Extended Term Loan, 4.50%, 3/05/20                                     |     | 2,873        | 2,888,601    |
|  |     |              | 3,237,141    |

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**Road & Rail 0.2%**

Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18 804 808,192

**Semiconductors & Semiconductor Equipment 0.5%**

Freescale Semiconductor, Inc.:

Term Loan B3, 4.25%, 12/01/16 284 286,420

Term Loan B4, 5.00%, 2/28/20 1,536 1,541,081

NXP BV, Term Loan C, 4.75%, 1/11/20 687 695,777

2,523,278

**Software 2.8%**

Blackboard, Inc., Term Loan B2, 6.25%, 10/04/18 271 271,841

BMC Software, Inc., Term Loan, 5.00%, 8/07/20 1,010 1,007,899

CompuCom Systems, Inc., Refinancing Term Loan B, 4.25%, 5/11/20 315 311,850

Evertec, Inc., Term Loan B, 3.50%, 4/15/20 450 446,850

GCA Services Group, Inc.:

2nd Lien Term Loan, 9.25%, 10/22/20 780 791,700

Term Loan B, 5.25%, 11/01/19 786 787,337

Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 2,111 2,121,709

Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20 1,245 1,287,019

RP Crown Parent LLC, 1st Lien Term Loan, 6.75%, 12/21/18 866 873,225

Sophia LP, Term Loan B, 4.50%, 7/19/18 1,157 1,160,749

SS&C Technologies, Inc.:

Term Loan B1, 3.50%, 6/07/19 1,272 1,270,083

Term Loan B2, 3.50%, 6/07/19 132 131,388

StoneRiver Holdings, Inc.:

1st Lien Term Loan, 4.50%, 11/20/19 1,160 1,154,200

2nd Lien Term Loan, 8.50%, 11/20/20 410 413,321

Websence, Inc.:

2nd Lien Term Loan, 8.25%, 11/24/20 605 602,731

Term Loan B, 4.50%, 6/25/20 400 399,500

13,031,402

**Specialty Retail 4.2%**

Academy Ltd., Term Loan, 4.50%, 8/03/18 2,060 2,067,619

Atlantic Aviation FBO, Inc., Term Loan B, 3.25%, 6/01/20 490 485,712

Bass Pro Group LLC, Term Loan, 4.00%, 11/20/19 1,085 1,085,341

Burlington Coat Factory Warehouse Corp., Term Loan B2, 4.25%, 2/23/17 479 482,577

David's Bridal, Inc., Term Loan B, 5.00%, 10/11/19 1,627 1,635,350

Equinox Holdings, Inc., Repriced Term Loan B, 4.50% 5.50%, 1/31/20 803 805,999

The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18 128 123,039

Harbor Freight Tools USA, Inc., 1st Lien Term Loan, 4.75%, 7/16/19 1,279 1,290,435

Jo-Ann Stores, Inc., Term Loan, 4.00%, 3/16/18 766 765,436

Leslie's Poolmart, Inc., Term Loan B, 5.25%, 10/16/19 1,259 1,267,090

Michaels Stores, Inc., Term Loan, 3.75%, 1/28/20 1,387 1,390,421

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(Percentages shown are based on Net Assets)

|  |     | <b>Par<br/>(000)</b>                     | <b>Value</b>       |
|--|-----|--|--------------------|
| <b>Floating Rate Loan Interests (b)</b>                            |     |  |                    |
| <b>Specialty Retail (concluded)</b>                                |     |  |                    |
| Party City Holdings, Inc., Refinancing Term Loan B, 4.25%, 7/29/19 | USD | 2,706                                    | \$ 2,698,374       |
| Petco Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17            |     | 1,779                                    | 1,784,895          |
| Sprouts Farmers Markets Holdings LLC, Term Loan, 4.00%, 4/23/20    |     | 370                                      | 370,593            |
| SRAM LLC, Term Loan B, 4.00% 5.25%, 4/10/20                        |     | 414                                      | 410,729            |
| The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19           |     | 866                                      | 871,452            |
| Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18               |     | 1,470                                    | 1,462,500          |
| Toys R Us-Delaware, Inc.:  |     |  |                    |
| Incremental Term Loan B2, 5.25%, 5/25/18                           |     | 655                                      | 632,323            |
| Term Loan B3, 5.25%, 5/25/18                                       |     | 94                                       | 90,414             |
|  |     |  | 19,720,299         |
| <b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>                   |     |  |                    |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18      |     | 1,640                                    | 1,570,115          |
| PVH Corp., Term Loan B, 3.25%, 2/13/20                             |     | 954                                      | 956,607            |
| True Religion Apparel, Inc., 1st Lien Term Loan, 5.88%, 7/30/19    |     | 275                                      | 259,361            |
| Wolverine Worldwide, Inc., Term Loan B,<br>4.00% 5.25%, 7/31/19    |     | 787                                      | 791,014            |
|  |     |  | 3,577,097          |
| <b>Thrifts &amp; Mortgage Finance 0.3%</b>                         |     |  |                    |
| Insight Global Holdings, Inc., 1st Lien Term Loan, 6.00%, 10/31/19 |     | 806                                      | 814,009            |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18                   |     | 683                                      | 689,779            |
|  |     |  | 1,503,788          |
| <b>Trading Companies &amp; Distributors 0.2%</b>                   |     |  |                    |
| WESCO Distribution, Inc., Term Loan B, 4.50%, 12/12/19             |     | 888                                      | 891,700            |
| <b>Wireless Telecommunication Services 0.4%</b>                    |     |  |                    |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19           |     | 626                                      | 627,465            |
| Light Tower Fiber LLC, 1st Lien Term Loan, 4.50%, 4/13/20          |     | 1,130                                    | 1,135,650          |
| Time Warner Telecom Holdings Inc., Term Loan B, 2.69%, 4/17/20     |     | 205                                      | 204,897            |
|  |     |  | 1,968,012          |
| <b>Total Floating Rate Loan Interests 75.4%</b>                    |     |  | <b>352,886,732</b> |
|  |     | <b>Beneficial<br/>Interest<br/>(000)</b> | <b>Value</b>       |
| <b>Other Interests (k)</b>   |     |  |                    |
| <b>Auto Components 0.0%</b>  |     |  |                    |
| Intermet Liquidating Trust, Class A (d)                            | USD | 833                                      | \$ 8               |
| <b>Chemicals 0.0%</b>  |     |  |                    |
| Wellman Holdings, Inc., Litigation Trust Certificate (d)           |     | 10,000                                   | 100                |
| <b>Diversified Financial Services 0.1%</b>                         |     |  |                    |
| J.G.Wentworth LLC Preferred Equity Interests (d)                   |     | 1  | 484,905            |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                      |     |  |                    |
| Buffets, Inc. (d)  |     | 1,440                                    | 15                 |
| <b>Household Durables 0.6%</b>                                     |     |  |                    |
| Stanley Martin, Class B Membership Units                           |     | 2  | 2,713,500          |
| <b>Media 0.0%</b>  |     |  |                    |
| Adelphia Escrow (d)  |     | 7,500                                    | 75                 |
| Adelphia Preferred Escrow (d)                                      |     | 5  |                    |
| Adelphia Recovery Trust (d)  |     | 9,406                                    | 94,060             |
| Adelphia Recovery Trust,<br>Series ACC-6B INT (d)                  |     | 500                                      | 15,000             |
|  |     |  | 109,135            |
| <b>Total Other Interests 0.7%</b>                                  |     |  | <b>3,307,663</b>   |



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## Consolidated Schedule of Investments (continued)

BlackRock Debt Strategies Fund, Inc. (DSU)

(c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty               | Value        | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------|--------------|--|
| J.P. Morgan Securities LLC | \$ 2,937,400 |  |
| Bank of America N.A.       | \$ 290,360   |  |

(d) Non-income producing security.

(e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

(g) Convertible security.

(h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(i) All or portion of security has been pledged as collateral in connection with swaps.

(j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.

(k) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.

(m) Represents the current yield as of report date.

Investments in issuers considered to be an affiliate of the Fund during the six months ended August 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held<br>at February 28,<br>2013 | Net<br>Activity | Shares Held<br>at August 31,<br>2013 | Income |
|-----------|--|-----------------|--------------------------------------|--------|
|-----------|--|-----------------|--------------------------------------|--------|

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|  |         |           |          |
|--|---------|-----------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 157,333 | (157,333) | \$ 1,322 |
|--|---------|-----------|----------|

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2013 were as follows:

| Currency Purchased |            | Currency Sold |            | Counterparty             | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|--------------------------|-----------------|--|
| USD                | 139,363    | GBP           | 90,000     | Bank of America N.A.     | 9/03/13         | \$ (110)                               |
| USD                | 982,442    | EUR           | 736,000    | Barclays Bank PLC        | 9/25/13         | 9,641                                  |
| USD                | 18,946,992 | EUR           | 14,101,000 | UBS AG                   | 9/25/13         | 309,123                                |
| GBP                | 90,000     | USD           | 139,311    | Bank of America N.A.     | 10/22/13        | 110                                    |
| USD                | 2,524,483  | CAD           | 2,627,000  | JPMorgan Chase Bank N.A. | 10/22/13        | 33,385                                 |
| USD                | 149,255    | GBP           | 99,000     | Bank of America N.A.     | 10/22/13        | (4,108)                                |
| USD                | 144,200    | GBP           | 93,000     | Bank of America N.A.     | 10/22/13        | 131                                    |
| USD                | 6,841,819  | GBP           | 4,537,000  | Deutsche Bank AG         | 10/22/13        | (186,564)                              |
| USD                | 153,589    | GBP           | 101,000    | Deutsche Bank AG         | 10/22/13        | (2,873)                                |
| <b>Total</b>       |            |               |            |                          |                 | <b>\$ 158,735</b>                      |

Credit default swaps buy protection outstanding as of August 31, 2013 were as follows:

| Index  | Pay Fixed Rate | Clearinghouse      | Expiration Date | Notional Amount (000) | Market Value | Unrealized Appreciation |
|--|----------------|--------------------|-----------------|-----------------------|--------------|-------------------------|
| Markit CDX North American High Yield Index, Series 20, Version 1 | 5.00%          | Chicago Mercantile | 6/20/18         | \$ 5,500              | \$ (216,840) | \$ 62,676               |

Credit default swaps sold protection outstanding as of August 31, 2013 were as follows:

| Issuer                                    | Receive Fixed Rate | Counterparty                | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 12/20/15        | CCC-                       | \$ 442                             | \$ (84,245)  | \$ (127,325)      | \$ 43,080                              |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 12/20/15        | CCC-                       | \$ 123                             | (23,358)     | (30,603)          | 7,245                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | \$ 528                             | (118,864)    | (120,542)         | 1,678                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | \$ 118                             | (26,576)     | (25,631)          | (945)                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | \$ 270                             | (60,838)     | (47,378)          | (13,460)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | \$ 176                             | (39,635)     | (42,171)          | 2,536                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/16         | CCC-                       | \$ 176                             | (39,635)     | (42,171)          | 2,536                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase Bank N.A.    | 3/20/16         | CCC-                       | \$ 68                              | (15,359)     | (13,987)          | (1,372)                                |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

Credit default swaps sold protection outstanding as of August 31, 2013 were as follows (concluded):

| Issuer                                    | Receive Fixed Rate | Counterparty                | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value   | Premiums Received | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------------------|-----------------|----------------------------|------------------------------------|----------------|-------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | \$ 359                             | \$ (93,439)    | \$ (89,914)       | \$ (3,525)                             |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 6/20/16         | CCC-                       | \$ 690                             | (179,766)      | (167,531)         | (12,235)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/17         | CCC-                       | \$ 325                             | (115,065)      | (89,844)          | (25,221)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs International | 3/20/17         | CCC-                       | \$ 226                             | (80,066)       | (66,488)          | (13,578)                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | Deutsche Bank AG            | 6/20/17         | CCC-                       | \$ 423                             | (162,718)      | (124,757)         | (37,961)                               |
| <b>Total</b>                              |                    |                             |                 |                            |                                    | \$ (1,039,564) | \$ (988,342)      | \$ (51,222)                            |

<sup>1</sup> Using S&P's rating of the issuer.<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1** unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

**Level 2** other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Consolidated Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2013:

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|                              | Level 1      | Level 2        | Level 3       | Total          |
|------------------------------|--------------|----------------|---------------|----------------|
| <b>Assets:</b>               |              |                |               |                |
| Investments:                 |              |                |               |                |
| Long-Term Investments:       |              |                |               |                |
| Asset-Backed Securities      |              |                | \$ 13,790,740 | \$ 13,790,740  |
| Common Stocks                | \$ 3,781,970 | \$ 2,774,349   | 4,818,941     | 11,375,260     |
| Corporate Bonds              |              | 263,540,026    | 10,163,768    | 273,703,794    |
| Floating Rate Loan Interests |              | 309,768,936    | 43,117,796    | 352,886,732    |
| Other Interests              | 109,060      |                | 3,198,603     | 3,307,663      |
| Warrants                     | 905,261      |                | 304,172       | 1,209,433      |
| Short-Term Securities        | 3,352,859    |                |               | 3,352,859      |
| Unfunded Loan Commitments    |              | 8,974          |               | 8,974          |
| <b>Liabilities:</b>          |              |                |               |                |
| Unfunded Loan Commitments    |              | (288)          |               | (288)          |
| <b>Total</b>                 | \$ 8,149,150 | \$ 576,091,997 | \$ 75,394,020 | \$ 659,635,167 |

|   | Level 1  | Level 2    | Level 3 | Total      |
|---|----------|------------|---------|------------|
| Derivative Financial Instruments <sup>3</sup> |          |            |         |            |
| <b>Assets:</b>                                |          |            |         |            |
| Credit contracts                              |          | \$ 119,751 |         | \$ 119,751 |
| Foreign currency exchange contracts           |          | 352,390    |         | 352,390    |
| <b>Liabilities:</b>                           |          |            |         |            |
| Credit contracts                              |          | (108,297)  |         | (108,297)  |
| Foreign currency exchange contracts           | \$ (110) | (193,545)  |         | (193,655)  |
| <b>Total</b>                                  | \$ (110) | \$ 170,299 |         | \$ 170,189 |

<sup>3</sup> Derivative financial instruments are swaps and foreign currency exchange contracts. Swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1           | Level 2                 | Level 3 | Total                   |
|--|-------------------|-------------------------|---------|-------------------------|
| <b>Assets:</b>                           |                   |                         |         |                         |
| Cash                                     | \$ 68,914         |                         |         | \$ 68,914               |
| Cash pledged for centrally cleared swaps | 310,000           |                         |         | 310,000                 |
| Foreign currency at value                | 39,211            |                         |         | 39,211                  |
| <b>Liabilities:</b>                      |                   |                         |         |                         |
| Loan payable                             |                   | \$ (183,000,000)        |         | (183,000,000)           |
| <b>Total</b>                             | <b>\$ 418,125</b> | <b>\$ (183,000,000)</b> |         | <b>\$ (182,581,875)</b> |

There were no transfers between Level 1 and Level 2 during the six months ended August 31, 2013.

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed Securities | Common Stocks       | Corporate Bonds      | Floating Rate Loan Interests | Other Interests     | Warrants          | Total                |
|---|-------------------------|---------------------|----------------------|------------------------------|---------------------|-------------------|----------------------|
| <b>Assets:</b>  |                         |                     |                      |                              |                     |                   |                      |
| Opening balance, as of February 28, 2013                        | \$ 19,075,856           | \$ 6,100,576        | \$ 8,566,689         | \$ 37,135,002                | \$ 3,916,514        | \$ 24,836         | \$ 74,819,473        |
| Transfers into Level 3 <sup>1</sup>                             | 477,500                 |                     |                      | 10,065,665                   |                     |                   | 10,543,165           |
| Transfers out of Level 3 <sup>2</sup>                           |                         |                     |                      | (10,607,662)                 |                     |                   | (10,607,662)         |
| Accrued discounts/premiums                                      | 34,926                  |                     | 96,182               | 52,364                       |                     |                   | 183,472              |
| Net realized gain (loss)  | 607,190                 | (22,563)            | (2,674,829)          | 253,856                      |                     | (15)              | (1,836,361)          |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | (601,900)               | (1,259,062)         | 4,179,590            | (423,400)                    | (381,779)           | 279,351           | 1,792,800            |
| Purchases   | 3,513,510               |                     |                      | 26,823,455                   | 751                 |                   | 30,337,716           |
| Sales   | (9,316,342)             | (10)                | (3,864)              | (20,181,484)                 | (336,883)           |                   | (29,838,583)         |
| <b>Closing balance, as of August 31, 2013</b>                   | <b>\$ 13,790,740</b>    | <b>\$ 4,818,941</b> | <b>\$ 10,163,768</b> | <b>\$ 43,117,796</b>         | <b>\$ 3,198,603</b> | <b>\$ 304,172</b> | <b>\$ 75,394,020</b> |

<sup>1</sup> As of February 28, 2013, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2013, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$10,543,165 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$10,607,622 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2013 was \$301,108.

See Notes to Consolidated Financial Statements.





**Table of Contents****Consolidated Schedule of Investments (concluded)****BlackRock Debt Strategies Fund, Inc. (DSU)**

The following table summarizes the valuation techniques used and unobservable inputs utilized by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of August 31, 2013. The table does not include Level 3 investments with values based upon unadjusted third party pricing information. Level 3 investments valued using third party pricing information was \$57,257,571. A significant change in such third party pricing information could result in a significantly lower or higher value of such Level 3 investments.

|                              | Value                | Valuation Techniques             | Unobservable Inputs <sup>1</sup>       | Range of Unobservable Inputs Utilized |
|------------------------------|----------------------|----------------------------------|--|---------------------------------------|
| <b>Assets:</b>               |                      |                                  |  |                                       |
| Common Stocks                | \$ 3,817,861         | Market Comparable Companies      | Offshore EBITDA Multiple               | 8.25x                                 |
|                              |                      |                                  | Onshore EBITDA Multiple                | 4.75x                                 |
|                              |                      |                                  | Implied Last 12 Months EBITDA Multiple | 6.95x                                 |
|                              | 271,472              | Market Comparable Companies      | Last 12 Months EBITDA Multiple         | 6.50x                                 |
|                              |                      |                                  | Illiquidity Discount                   | 17.50%                                |
| Corporate Bonds <sup>2</sup> | 9,566,945            | Market Comparable Companies      | Last 12 Months EBITDA Multiple         | 6.50x 10.00x                          |
|                              |                      |                                  | Illiquidity Discount                   | 17.50%                                |
| Floating Rate Loan Interests | 1,462,500            | Market Comparable Yield Analysis | Yield                                  | 8.13%                                 |
| Other Interests              | 2,713,500            | Discounted Cash Flow             | Perpetuity Growth Rate                 | 3.50%                                 |
|                              |                      |                                  | Free Cash Flow                         | \$8.40 \$35.20                        |
|                              |                      |                                  | Weighted Cost of Capital               | 11.90%                                |
| Warrants                     | 304,171              | Market Comparable Companies      | Last 12 Months EBITDA Multiple         | 6.50x                                 |
|                              |                      |                                  | Illiquidity Discount                   | 17.50%                                |
| <b>Total</b>                 | <b>\$ 18,136,449</b> |                                  |  |                                       |

<sup>1</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input                     | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--|------------------------------------|------------------------------------|
| Offshore EBITDA Multiple               | Increase                           | Decrease                           |
| Onshore EBITDA Multiple                | Increase                           | Decrease                           |
| Implied Last 12 Months EBITDA Multiple | Increase                           | Decrease                           |
| Last 12 Months EBITDA Multiple         | Increase                           | Decrease                           |
| Illiquidity Discount                   | Decrease                           | Increase                           |
| Yield                                  | Decrease                           | Increase                           |
| Perpetuity Growth Rate                 | Increase                           | Decrease                           |
| Free Cash Flow                         | Increase                           | Decrease                           |
| Weighted Cost of Capital               | Decrease                           | Increase                           |

<sup>2</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as corporate bonds changed to a market approach. The investment was previously valued utilizing acquisition cost. Market information became available for this investment which is considered to be a more relevant measure of fair value for this investment.

<sup>3</sup> Amount is stated in millions.

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments** August 31, 2013 (Unaudited)**BlackRock Senior High Income Fund,  
Inc. (ARK)**

(Percentages shown are based on Net Assets)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Asset-Backed Securities</b>  |                      |              |
| ACAS CLO Ltd., Series 2013-1A, Class D, 4.09%, 4/20/25 (a)(b)                             | \$ 250               | \$ 235,625   |
| ALM Loan Funding (a)(b)(c):   |                      |              |
| Series 2013-7R2A, Class B, 2.86%, 4/24/24   | 325                  | 310,375      |
| Series 2013-7RA, Class C, 3.71%, 4/24/24  | 910                  | 858,858      |
| Series 2013-7RA, Class D, 5.26%, 4/24/24  | 400                  | 367,400      |
| Apidos CDO XI, Series 2012-11A, Class D, 4.52%, 1/17/23 (a)(b)                            | 525                  | 521,587      |
| Atrium CDO Corp., Series 9A, Class D, 3.76%, 2/28/24 (a)(b)                               | 250                  | 237,625      |
| Carlyle Global Market Strategies CLO Ltd., Series 2012-4A, Class D, 4.77%, 1/20/25 (a)(b) | 300                  | 301,062      |
| CFIP CLO Ltd., Series 2013-1A, Class D, 4.02%, 4/20/24 (a)(b)                             | 500                  | 465,000      |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.27%, 4/20/23 (a)(b)              | 405                  | 399,492      |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.27%, 9/20/22 (a)(b)           | 650                  | 652,600      |
| LCM IX LP, Series 9A, Class E, 4.47%, 7/14/22 (a)(b)                                      | 500                  | 455,200      |
| LCM XI LP, Series 11A, Class D2, 4.22%, 4/19/22 (a)(b)                                    | 700                  | 686,000      |
| Madison Park Funding I Ltd., Series 2013-11A, Class D, 3.76%, 10/23/25 (a)(b)(c)          | 250                  | 238,000      |
| Mountain View CLO Ltd., Series 2013-1A, Class D, 3.57%, 4/12/24 (a)(b)                    | 500                  | 467,500      |
| OZLM Funding III Ltd., Series 2013-3A, Class C, 4.17%, 1/22/25 (a)(b)                     | 250                  | 244,375      |
| Regatta Funding LP, Series 2013-2A, Class C, 4.27%, 1/15/25 (a)(b)                        | 750                  | 738,150      |
| Symphony CLO X Ltd., Series 2012-10A, Class D, 5.51%, 7/23/23 (a)(b)                      | 650                  | 654,875      |
| West CLO Ltd., Series 2012-1A, Class C, 5.02%, 10/30/23 (a)(b)                            | 590                  | 593,599      |
| <b>Total Asset-Backed Securities 3.5%</b>   |                      | 8,427,323    |

|   | <b>Shares</b> |           |
|---|---------------|-----------|
| <b>Common Stocks</b>                    |               |           |
| <b>Chemicals 0.0%</b>                   |               |           |
| GEO Specialty Chemicals, Inc. (b)(d)    | 142,466       | 113,973   |
| <b>Containers &amp; Packaging 0.1%</b>  |               |           |
| Smurfit Kappa Group PLC                 | 18,171        | 369,572   |
| <b>Metals &amp; Mining 0.1%</b>         |               |           |
| Euramax International (d)               | 935           | 186,980   |
| <b>Paper &amp; Forest Products 0.6%</b> |               |           |
| Ainsworth Lumber Co. Ltd. (d)           | 492,260       | 1,355,316 |
| <b>Software 0.4%</b>                    |               |           |
| HMH Holdings/EduMedia (d)               | 30,022        | 904,404   |
| <b>Total Common Stocks 1.2%</b>         |               | 2,930,245 |

|  | <b>Par<br/>(000)</b> |         |
|--|----------------------|---------|
| <b>Corporate Bonds</b>                                     |                      |         |
| <b>Aerospace &amp; Defense 0.8%</b>                        |                      |         |
| Bombardier, Inc., 4.25%, 1/15/16 (b)                       | \$ 515               | 532,381 |
| DigitalGlobe, Inc., 5.25%, 2/01/21 (b)                     | 351                  | 329,063 |
| Huntington Ingalls Industries, Inc., 7.13%, 3/15/21        | 375                  | 405,000 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 692                  | 747,360 |

2,013,804

|   |        |            |
|---|--------|------------|
| <b>Airlines 0.8%</b>  |        |            |
| Air Canada Pass-Through Trust, Series 2013-1, Class C, 6.63%, 5/15/18 (b)       | \$ 243 | \$ 242,174 |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 | 780    | 791,310    |
| Delta Air Lines Pass-Through Trust, Series 2009-1, Class B, 9.75%, 6/17/18      | 79     | 86,658     |
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 5/15/23           | 795    | 755,250    |

1,875,392

|   |     |         |
|---|-----|---------|
| <b>Auto Components 1.7%</b>             |     |         |
| Affinia Group, Inc., 7.75%, 5/01/21 (b) | 410 | 421,275 |

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|   |       |           |
|---|-------|-----------|
| Delphi Corp., 6.13%, 5/15/21  | 130   | 142,025   |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:                                       |       |           |
| 7.75%, 1/15/16  | 110   | 113,988   |
| 8.00%, 1/15/18  | 2,065 | 2,173,412 |
| Schaeffler Holding Finance BV, 6.88%, 8/15/18 (b)(e)  | 410   | 426,400   |
| Titan International, Inc.:  |       |           |
| 7.88%, 10/01/17   | 490   | 519,400   |
| 7.88%, 10/01/17 (b)   | 275   | 291,500   |
| Venture Holdings Co. LLC (d)(f):  |       |           |
| 12.00%, 7/01/49   | 700   |           |
| Series B, 9.50%, 7/01/05  | 3,325 |           |
|   |       | 4,088,000 |
| <b>Automobiles 0.1%</b>   |       |           |
| Ford Motor Co., 4.25%, 11/15/16 (g)   | 164   | 313,240   |
| <b>Beverages 0.0%</b>   |       |           |
| Constellation Brands, Inc., 7.25%, 5/15/17  | 30    | 34,275    |
| <b>Building Products 0.6%</b>   |       |           |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b)                        | 155   | 150,350   |
| Building Materials Corp. of America (b):  |       |           |
| 7.00%, 2/15/20  | 485   | 515,312   |
| 6.75%, 5/01/21  | 410   | 434,600   |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                                      | 195   | 202,313   |
| Texas Industries, Inc., 9.25%, 8/15/20  | 196   | 214,130   |
|   |       | 1,516,705 |
| <b>Capital Markets 0.0%</b>   |       |           |
| KCG Holdings, Inc., 8.25%, 6/15/18 (b)  | 90    | 88,425    |
| <b>Chemicals 2.7%</b>   |       |           |
| Ashland, Inc., 3.88%, 4/15/18 (b)   | 255   | 251,175   |
| Chemtura Corp., 5.75%, 7/15/21  | 76    | 75,050    |
| GEO Specialty Chemicals, Inc., 7.50%, 3/31/15 (b)   | 1,869 | 3,905,422 |
| Huntsman International LLC, 8.63%, 3/15/21  | 395   | 440,425   |
| INEOS Finance PLC, 7.50%, 5/01/20 (b)   | 125   | 133,750   |
| INEOS Group Holdings SA, 6.13%, 8/15/18 (b)   | 255   | 246,712   |
| LSB Industries, Inc., 7.75%, 8/01/19 (b)  | 113   | 116,955   |
| NOVA Chemicals Corp., 8.63%, 11/01/19   | 188   | 208,210   |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b)  | 120   | 120,000   |
| Orion Engineered Carbons Bondco GmbH, 9.63%, 6/15/18 (b)                                    | 400   | 442,000   |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (b)                          | 98    | 94,815    |
| Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., 6.50%, 4/15/21 (b)             | 359   | 351,820   |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)  | 153   | 146,115   |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, 7.38%, 5/01/21 (b) | 151   | 154,398   |
|   |       | 6,686,847 |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Commercial Banks 0.6%</b>  |              |            |
| CIT Group, Inc.:  |              |            |
| 5.00%, 5/15/17  | \$ 330       | \$ 342,375 |
| 6.63%, 4/01/18 (b)  | 65           | 70,200     |
| 5.50%, 2/15/19 (b)  | 994          | 1,018,850  |
|   |              | 1,431,425  |
| <b>Commercial Services &amp; Supplies 2.6%</b>                      |              |            |
| ACCO Brands Corp., 6.75%, 4/30/20                                   | 113          | 111,588    |
| ARAMARK Corp., 5.75%, 3/15/20 (b)                                   | 547          | 557,940    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)                     | 444          | 459,374    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)                  | 25           | 26,781     |
| Catalent Pharma Solutions, Inc., 7.88%, 10/15/18                    | 114          | 115,425    |
| Covanta Holding Corp., 6.38%, 10/01/22                              | 420          | 426,173    |
| The Geo Group, Inc., 7.75%, 10/15/17                                | 450          | 468,000    |
| Interactive Data Corp., 10.25%, 8/01/18                             | 810          | 902,178    |
| Mobile Mini, Inc., 7.88%, 12/01/20                                  | 335          | 365,150    |
| UR Merger Sub Corp.:  |              |            |
| 5.75%, 7/15/18  | 462          | 493,185    |
| 7.38%, 5/15/20  | 230          | 247,825    |
| 7.63%, 4/15/22  | 1,656        | 1,780,200  |
| West Corp., 8.63%, 10/01/18   | 165          | 178,612    |
|   |              | 6,132,431  |
| <b>Communications Equipment 0.6%</b>                                |              |            |
| Avaya, Inc., 7.00%, 4/01/19 (b)                                     | 264          | 241,560    |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                   | 1,110        | 1,204,350  |
|   |              | 1,445,910  |
| <b>Construction &amp; Engineering 0.1%</b>                          |              |            |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)   | 200          | 201,000    |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23 (b)         | 120          | 116,400    |
|   |              | 317,400    |
| <b>Construction Materials 1.0%</b>                                  |              |            |
| HD Supply, Inc., 8.13%, 4/15/19                                     | 2,080        | 2,314,000  |
| <b>Consumer Finance 0.2%</b>  |              |            |
| Ford Motor Credit Co. LLC:  |              |            |
| 7.00%, 4/15/15  | 140          | 151,443    |
| 6.63%, 8/15/17  | 300          | 338,764    |
|   |              | 490,207    |
| <b>Containers &amp; Packaging 0.5%</b>                              |              |            |
| Ardagh Packaging Finance PLC, 9.13%, 10/15/20 (b)                   | 300          | 318,750    |
| Ball Corp., 6.75%, 9/15/20  | 325          | 351,000    |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | 589          | 618,450    |
|   |              | 1,288,200  |
| <b>Distributors 0.1%</b>  |              |            |
| VWR Funding, Inc., 7.25%, 9/15/17                                   | 323          | 335,920    |
| <b>Diversified Consumer Services 0.2%</b>                           |              |            |
| APX Group, Inc., 6.38%, 12/01/19 (b)                                | 321          | 302,543    |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (b)                             | 256          | 236,800    |
|   |              | 539,343    |

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|   |             |       |           |
|---|-------------|-------|-----------|
| <b>Diversified Financial Services</b>   | <b>3.9%</b> |       |           |
| Aircastle Ltd., 6.25%, 12/01/19   |             | 136   | 141,780   |
| Ally Financial, Inc.:   |             |       |           |
| 8.30%, 2/12/15  |             | 2,420 | 2,613,600 |
| 8.00%, 11/01/31   |             | 1,180 | 1,357,000 |
| 8.00%, 11/01/31   |             | 203   | 230,151   |
| CNG Holdings, Inc., 9.38%, 5/15/20 (b)  |             | 68    | 63,750    |
| DPL, Inc.:  |             |       |           |
| 6.50%, 10/15/16   |             | 26    | 27,430    |
| 7.25%, 10/15/21   |             | 69    | 70,380    |
| <b>Diversified Financial Services (concluded)</b>                                   |             |       |           |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)                      |             | 210   | 207,900   |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (b)                        |             | 200   | 196,500   |
| Reynolds Group Issuer, Inc.:  |             |       |           |
| 7.13%, 4/15/19  |             | 1,347 | 1,432,871 |
| 9.88%, 8/15/19  |             | 510   | 541,875   |
| 5.75%, 10/15/20   |             | 1,810 | 1,794,163 |
| 6.88%, 2/15/21  |             | 400   | 422,000   |
| WMG Acquisition Corp., 11.50%, 10/01/18   |             | 281   | 323,853   |
|   |             |       | 9,423,253 |
| <b>Diversified Telecommunication Services</b>                                       | <b>1.4%</b> |       |           |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20   |             | 342   | 335,160   |
| Level 3 Financing, Inc.:  |             |       |           |
| 8.13%, 7/01/19  |             | 2,768 | 2,927,160 |
| 7.00%, 6/01/20  |             | 184   | 185,380   |
| Windstream Corp., 7.75%, 10/15/20   |             | 18    | 18,405    |
|   |             |       | 3,466,105 |
| <b>Electric Utilities</b>   | <b>0.1%</b> |       |           |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17                    |             | 197   | 206,994   |
| <b>Electrical Equipment</b>   | <b>0.2%</b> |       |           |
| Belden, Inc., 5.50%, 9/01/22 (b)  |             | 190   | 184,300   |
| General Cable Corp., 5.75%, 10/01/22 (b)  |             | 350   | 336,875   |
|   |             |       | 521,175   |
| <b>Energy Equipment &amp; Services</b>  | <b>3.1%</b> |       |           |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)  |             | 920   | 926,900   |
| CGG, 6.50%, 6/01/21   |             | 1,105 | 1,118,812 |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b)   |             | 379   | 404,582   |
| Gulfmark Offshore, Inc., 6.38%, 3/15/22   |             | 70    | 70,875    |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                                    |             | 140   | 141,750   |
| MEG Energy Corp., 6.50%, 3/15/21 (b)  |             | 890   | 905,575   |
| Oil States International, Inc.:   |             |       |           |
| 6.50%, 6/01/19  |             | 711   | 750,105   |
| 5.13%, 1/15/23 (b)  |             | 339   | 370,358   |
| Peabody Energy Corp.:   |             |       |           |
| 6.00%, 11/15/18   |             | 523   | 520,385   |
| 6.25%, 11/15/21   |             | 522   | 503,730   |
| Precision Drilling Corp.:   |             |       |           |
| 6.63%, 11/15/20   |             | 65    | 68,413    |
| 6.50%, 12/15/21   |             | 270   | 282,150   |
| Rain CII Carbon LLC/CII Carbon Corp., 8.25%, 1/15/21 (b)                            |             | 200   | 200,000   |
| Seadrill Ltd., 5.63%, 9/15/17 (b)   |             | 963   | 970,222   |
| Tervita Corp., 8.00%, 11/15/18 (b)  |             | 231   | 230,423   |
|   |             |       | 7,464,280 |
| <b>Food Products</b>  | <b>0.3%</b> |       |           |
| Post Holdings, Inc., 7.38%, 2/15/22   |             | 295   | 311,225   |
| Smithfield Foods, Inc., 6.63%, 8/15/22  |             | 295   | 302,375   |
| Sun Merger Sub, Inc. (b):   |             |       |           |
| 5.25%, 8/01/18  |             | 78    | 78,292    |
| 5.88%, 8/01/21  |             | 73    | 72,818    |
|   |             |       | 764,710   |
| <b>Gas Utilities</b>  | <b>0.3%</b> |       |           |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., 7.88%, 10/15/18 |             | 570   | 617,025   |
| <b>Health Care Equipment &amp; Supplies</b>   | <b>1.0%</b> |       |           |

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Biomet, Inc.:

6.50%, 8/01/20

640

656,000

6.50%, 10/01/20

1,362

1,358,595

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Health Care Equipment &amp; Supplies (concluded)</b>                                     |              |            |
| DJO Finance LLC/DJO Finance Corp.:  |              |            |
| 8.75%, 3/15/18  | \$ 185       | \$ 200,263 |
| 7.75%, 4/15/18  | 30           | 29,475     |
| Teleflex, Inc., 6.88%, 6/01/19  | 250          | 262,500    |
|   |              | 2,506,833  |
| <b>Health Care Providers &amp; Services 2.1%</b>  |              |            |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19                 |              |            |
|   | 365          | 390,550    |
| CHS/Community Health Systems, Inc.:   |              |            |
| 5.13%, 8/15/18  | 185          | 189,163    |
| 8.00%, 11/15/19   | 208          | 218,400    |
| 7.13%, 7/15/20  | 134          | 135,340    |
| HCA, Inc.:  |              |            |
| 8.50%, 4/15/19  | 25           | 27,000     |
| 7.88%, 2/15/20  | 1,349        | 1,455,234  |
| Hologic, Inc., 6.25%, 8/01/20   | 716          | 746,430    |
| inVentiv Health, Inc., 9.00%, 1/15/18 (b)   | 135          | 137,700    |
| Tenet Healthcare Corp.:   |              |            |
| 6.25%, 11/01/18   | 425          | 448,906    |
| 8.00%, 8/01/20  | 199          | 206,711    |
| 4.38%, 10/01/21 (b)   | 323          | 293,122    |
| Vanguard Health Holding Co. II LLC/Vanguard Holding Co. II, Inc., 7.75%, 2/01/19            | 879          | 940,530    |
|   |              | 5,189,086  |
| <b>Health Care Technology 0.8%</b>  |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (b)   |              |            |
|   | 1,730        | 2,041,400  |
| <b>Hotels, Restaurants &amp; Leisure 1.2%</b>   |              |            |
| Caesars Entertainment Operating Co., Inc., 8.50%, 2/15/20                                   |              |            |
|   | 675          | 644,625    |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (b)   | 200          | 203,000    |
| Diamond Resorts Corp., 12.00%, 8/15/18  | 540          | 599,400    |
| Isle of Capri Casinos, Inc.:  |              |            |
| 7.75%, 3/15/19  | 25           | 25,813     |
| 5.88%, 3/15/21  | 110          | 101,750    |
| Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b)                              | 282          | 276,360    |
| MCE Finance Ltd., 5.00%, 2/15/21 (b)  | 352          | 322,960    |
| PNK Finance Corp., 6.38%, 8/01/21 (b)   | 195          | 194,512    |
| Sabre, Inc., 8.50%, 5/15/19 (b)   | 300          | 323,250    |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b)   | 218          | 206,010    |
| Tropicana Entertainment LLC/Tropicana Finance Corp., 9.63%, 12/15/14 (d)(f)                 | 220          |            |
|   |              | 2,897,680  |
| <b>Household Durables 1.5%</b>  |              |            |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (b)                         |              |            |
|   | 190          | 188,100    |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  | 340          | 358,275    |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b)                                | 345          | 352,762    |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b) | 97           | 95,788     |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b)   | 795          | 838,725    |
| KB Home, 7.25%, 6/15/18   | 330          | 349,800    |
| Libbey Glass, Inc., 6.88%, 5/15/20  | 80           | 85,500     |
| Standard Pacific Corp., 8.38%, 1/15/21  | 1,120        | 1,254,400  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)             | 223          | 210,735    |
|   |              | 3,734,085  |
| <b>Household Products 0.3%</b>  |              |            |
| Spectrum Brands Escrow Corp. (b):   |              |            |

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|   |       |           |
|---|-------|-----------|
| 6.38%, 11/15/20   | 90    | 93,150    |
| 6.63%, 11/15/22   | 105   | 107,625   |
| Spectrum Brands, Inc., 9.50%, 6/15/18   | 435   | 478,500   |
|   |       | 679,275   |
| <b>Independent Power Producers &amp; Energy Traders 3.3%</b>                            |       |           |
| Calpine Corp., 7.50%, 2/15/21 (b)   | 84    | 89,040    |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.:                          |       |           |
| 6.88%, 8/15/17 (b)  | 282   | 285,173   |
| 10.00%, 12/01/20  | 4,258 | 4,486,867 |
| 10.00%, 12/01/20 (b)  | 630   | 662,287   |
| 12.25%, 3/01/22 (b)   | 427   | 475,038   |
| GenOn REMA LLC:   |       |           |
| Series B, 9.24%, 7/02/17  | 88    | 90,879    |
| Series C, 9.68%, 7/02/26  | 448   | 474,880   |
| Laredo Petroleum, Inc.:   |       |           |
| 9.50%, 2/15/19  | 495   | 550,688   |
| 7.38%, 5/01/22  | 185   | 195,175   |
| NRG Energy, Inc., 7.63%, 1/15/18  | 681   | 754,207   |
|   |       | 8,064,234 |
| <b>Insurance 0.1%</b>   |       |           |
| CNO Financial Group, Inc., 6.38%, 10/01/20 (b)  | 114   | 119,130   |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)                                       | 220   | 226,600   |
|   |       | 345,730   |
| <b>IT Services 1.2%</b>   |       |           |
| Ceridian Corp., 8.88%, 7/15/19 (b)  | 1,155 | 1,299,375 |
| First Data Corp. (b):   |       |           |
| 7.38%, 6/15/19  | 845   | 876,687   |
| 6.75%, 11/01/20   | 565   | 577,713   |
| WEX, Inc., 4.75%, 2/01/23 (b)   | 206   | 187,460   |
|   |       | 2,941,235 |
| <b>Machinery 0.2%</b>   |       |           |
| Gardner Denver, Inc., 6.88%, 8/15/21 (b)  | 230   | 224,825   |
| Navistar International Corp., 8.25%, 11/01/21   | 195   | 193,781   |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 8.75%, 2/01/19 (b)     | 96    | 93,840    |
|   |       | 512,446   |
| <b>Media 4.2%</b>   |       |           |
| AMC Networks, Inc., 7.75%, 7/15/21  | 320   | 353,600   |
| Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b)(d)(f)                          | 254   | 186,055   |
| Checkout Holding Corp., 9.91%, 11/15/15 (b)(h)  | 296   | 239,020   |
| Clear Channel Worldwide Holdings, Inc.:   |       |           |
| 6.50%, 11/15/22   | 360   | 357,300   |
| 6.50%, 11/15/22   | 972   | 972,000   |
| Series B, 7.63%, 3/15/20  | 540   | 541,350   |
| DISH DBS Corp.:   |       |           |
| 4.25%, 4/01/18  | 500   | 492,500   |
| 5.88%, 7/15/22  | 700   | 686,000   |
| DreamWorks Animation SKG, Inc., 6.88%, 8/15/20 (b)                                      | 114   | 117,135   |
| Intelsat Jackson Holdings SA:   |       |           |
| 7.25%, 10/15/20   | 1,230 | 1,313,025 |
| 5.50%, 8/01/23 (b)  | 384   | 356,160   |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b)                                     | 69    | 71,760    |
| The McClatchy Co., 9.00%, 12/15/22  | 120   | 126,600   |
| MDC Partners, Inc., 6.75%, 4/01/20 (b)  | 135   | 136,688   |
| Midcontinent Communications & Finance Corp., 6.25%, 8/01/21 (b)                         | 90    | 90,225    |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b)                                     | 422   | 457,110   |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b) | 155   | 156,937   |
| Nielsen Finance LLC/Nielsen Finance Co., 7.75%, 10/15/18                                | 341   | 370,837   |
| ProQuest LLC/ProQuest Notes Co., 9.00%, 10/15/18 (b)                                    | 75    | 75,375    |

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Senior High Income Fund, Inc. (ARK)**

(Percentages shown are based on Net Assets)

|   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Corporate Bonds</b>  |                      |              |
| <b>Media (concluded)</b>  |                      |              |
| Sirius XM Radio, Inc. (b):  |                      |              |
| 5.75%, 8/01/21  | \$ 158               | \$ 154,840   |
| 4.63%, 5/15/23  | 117                  | 103,253      |
| Sterling Entertainment Corp., 10.00%, 12/15/19                      | 450                  | 450,000      |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH:                |                      |              |
| 7.50%, 3/15/19  | 540                  | 583,200      |
| 5.50%, 1/15/23 (b)  | 440                  | 400,400      |
| Univision Communications, Inc., 6.75%, 9/15/22 (b)                  | 107                  | 111,013      |
| Virgin Media Secured Finance PLC, 6.50%, 1/15/18                    | 1,250                | 1,303,125    |
|   |                      | 10,205,508   |
| <b>Metals &amp; Mining 2.5%</b>                                     |                      |              |
| <b>ArcelorMittal:</b>   |                      |              |
| 9.50%, 2/15/15  | 715                  | 784,712      |
| 4.25%, 8/05/15  | 275                  | 283,250      |
| 5.00%, 2/25/17  | 130                  | 132,925      |
| 6.13%, 6/01/18  | 186                  | 191,580      |
| Commercial Metals Co., 4.88%, 5/15/23                               | 347                  | 314,035      |
| FMG Resources August 2006 Property Ltd. (b):                        |                      |              |
| 7.00%, 11/01/15   | 120                  | 123,600      |
| 6.38%, 2/01/16  | 470                  | 481,750      |
| Global Brass & Copper, Inc., 9.50%, 6/01/19 (b)                     | 255                  | 277,950      |
| Kaiser Aluminum Corp., 8.25%, 6/01/20                               | 190                  | 211,850      |
| New Gold, Inc., 6.25%, 11/15/22 (b)                                 | 255                  | 244,162      |
| Novelis, Inc., 8.75%, 12/15/20                                      | 2,328                | 2,531,700    |
| Perstorp Holding AB, 8.75%, 5/15/17 (b)                             | 205                  | 209,613      |
| RathGibson, Inc., 11.25%, 2/15/14 (d)(f)                            | 2,175                |              |
| Steel Dynamics, Inc., 6.38%, 8/15/22                                | 205                  | 213,713      |
|   |                      | 6,000,840    |
| <b>Multiline Retail 0.2%</b>  |                      |              |
| Dollar General Corp., 4.13%, 7/15/17                                | 127                  | 133,364      |
| Dufry Finance SCA, 5.50%, 10/15/20 (b)                              | 228                  | 232,685      |
|   |                      | 366,049      |
| <b>Oil, Gas &amp; Consumable Fuels 5.8%</b>                         |                      |              |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21                       | 157                  | 131,488      |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21                          | 36                   | 36,630       |
| Chaparral Energy, Inc., 7.63%, 11/15/22                             | 115                  | 115,288      |
| Chesapeake Energy Corp.:  |                      |              |
| 7.25%, 12/15/18   | 25                   | 28,313       |
| 6.63%, 8/15/20  | 265                  | 284,213      |
| 6.88%, 11/15/20   | 150                  | 162,375      |
| Concho Resources, Inc., 6.50%, 1/15/22                              | 219                  | 232,140      |
| CONSOL Energy, Inc.:  |                      |              |
| 8.00%, 4/01/17  | 29                   | 30,595       |
| 8.25%, 4/01/20  | 975                  | 1,033,500    |
| 6.38%, 3/01/21  | 99                   | 99,990       |
| Crosstex Energy LP/Crosstex Energy Finance Corp., 8.88%, 2/15/18    | 195                  | 207,188      |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19                         | 665                  | 691,600      |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19     | 235                  | 249,688      |
| Halcon Resources Corp., 8.88%, 5/15/21                              | 351                  | 351,877      |
| Hilcorp Energy I LP/Hilcorp Finance Corp., 7.63%, 4/15/21 (b)       | 470                  | 500,550      |
| Holly Energy Partners LP/Holly Energy Finance Corp., 6.50%, 3/01/20 | 80                   | 82,400       |
| Kinder Morgan Finance Co. LLC, 6.00%, 1/15/18 (b)                   | 480                  | 520,490      |

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|  |       |            |
|--|-------|------------|
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19  | 550   | 602,250    |
| <b>Linn Energy LLC/Linn Energy Finance Corp.:</b>                                  |       |            |
| 6.25%, 11/01/19 (b)  | 683   | 628,360    |
| 8.63%, 4/15/20   | 732   | 735,660    |
| 7.75%, 2/01/21   | 150   | 145,500    |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21  | 127   | 122,555    |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                 |       |            |
| Northern Oil & Gas, Inc., 8.00%, 6/01/20   | 265   | 268,975    |
| <b>Oasis Petroleum, Inc.:</b>  |       |            |
| 7.25%, 2/01/19   | 135   | 143,100    |
| 6.50%, 11/01/21  | 155   | 162,750    |
| Offshore Group Investment Ltd., 7.13%, 4/01/23                                     | 246   | 236,775    |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)  | 223   | 215,195    |
| PBF Holding Co. LLC/PBF Finance Corp., 8.25%, 2/15/20                              | 76    | 77,710     |
| PDC Energy, Inc., 7.75%, 10/15/22  | 180   | 189,000    |
| Petrobras Global Finance BV, 3.00%, 1/15/19  | 288   | 264,905    |
| <b>Range Resources Corp.:</b>  |       |            |
| 6.75%, 8/01/20   | 303   | 326,482    |
| 5.75%, 6/01/21   | 645   | 675,637    |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b)             | 77    | 77,000     |
| Rosetta Resources, Inc., 5.63%, 5/01/21  | 143   | 137,995    |
| <b>Sabine Pass Liquefaction LLC (b):</b>   |       |            |
| 5.63%, 2/01/21   | 977   | 933,035    |
| 5.63%, 4/15/23   | 281   | 260,628    |
| <b>Sabine Pass LNG LP:</b>   |       |            |
| 7.50%, 11/30/16  | 1,490 | 1,640,862  |
| 6.50%, 11/01/20 (b)  | 275   | 276,375    |
| <b>SandRidge Energy, Inc.:</b>   |       |            |
| 8.75%, 1/15/20   | 35    | 36,575     |
| 7.50%, 2/15/23   | 411   | 397,642    |
| SESI LLC, 6.38%, 5/01/19   | 174   | 183,135    |
| <b>SM Energy Co.:</b>  |       |            |
| 6.63%, 2/15/19   | 22    | 22,990     |
| 6.50%, 11/15/21  | 225   | 236,250    |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (b)   | 240   | 243,600    |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.88%, 10/01/20 (b)            | 66    | 65,835     |
|  |       | 14,065,101 |
| <b>Paper &amp; Forest Products 0.2%</b>  |       |            |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b)                                     | 256   | 270,080    |
| Sappi Papier Holding GmbH, 8.38%, 6/15/19 (b)                                      | 200   | 209,000    |
|  |       | 479,080    |
| <b>Pharmaceuticals 0.4%</b>  |       |            |
| <b>Valeant Pharmaceuticals International (b):</b>                                  |       |            |
| 6.38%, 10/15/20  | 228   | 231,705    |
| 7.25%, 7/15/22   | 350   | 371,000    |
| VPII Escrow Corp., 6.75%, 8/15/18 (b)  | 334   | 353,623    |
|  |       | 956,328    |
| <b>Real Estate Investment Trusts (REITs) 0.4%</b>                                  |       |            |
| <b>Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75%, 2/15/18 (b)</b> | 236   | 241,310    |
| <b>Felcor Lodging LP:</b>  |       |            |
| 6.75%, 6/01/19   | 484   | 506,990    |
| 5.63%, 3/01/23   | 109   | 101,370    |
| iStar Financial, Inc., 4.88%, 7/01/18  | 169   | 163,930    |
|  |       | 1,013,600  |
| <b>Real Estate Management &amp; Development 1.0%</b>                               |       |            |
| Realogy Corp., 7.63%, 1/15/20 (b)  | 1,130 | 1,265,600  |
| Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (b)                  | 284   | 281,870    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                             | 790   | 867,025    |
|  |       | 2,414,495  |

See Notes to Consolidated Financial Statements.



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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Corporate Bonds</b>  |              |             |
| <b>Road &amp; Rail 1.3%</b>   |              |             |
| The Hertz Corp.:  |              |             |
| 7.50%, 10/15/18   | \$ 780       | \$ 842,400  |
| 6.75%, 4/15/19  | 150          | 159,937     |
| 5.88%, 10/15/20   | 235          | 241,169     |
| 7.38%, 1/15/21  | 1,742        | 1,881,360   |
| Watco Cos. LLC/Watco Finance Corp., 6.38%, 4/01/23 (b)  | 120          | 118,500     |
|   |              | 3,243,366   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>  |              |             |
| NXP BV/NXP Funding LLC (b):   |              |             |
| 3.75%, 6/01/18  | 355          | 343,019     |
| 5.75%, 2/15/21  | 275          | 275,000     |
|   |              | 618,019     |
| <b>Software 0.9%</b>  |              |             |
| Healthcare Technology Intermediate, Inc., 7.38%, 9/01/18 (b)(e)                                     | 112          | 113,680     |
| Infor US, Inc., 9.38%, 4/01/19  | 1,295        | 1,440,688   |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)   | 700          | 666,750     |
|   |              | 2,221,118   |
| <b>Specialty Retail 0.4%</b>  |              |             |
| Claire's Stores, Inc., 9.00%, 3/15/19 (b)   | 496          | 552,420     |
| Sally Holdings LLC/Sally Capital, Inc., 6.88%, 11/15/19   | 350          | 381,500     |
| Sonic Automotive, Inc., 5.00%, 5/15/23  | 50           | 46,250      |
|   |              | 980,170     |
| <b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>  |              |             |
| Levi Strauss & Co., 6.88%, 5/01/22  | 140          | 148,750     |
| The William Carter Co., 5.25%, 8/15/21 (b)  | 132          | 132,660     |
|   |              | 281,410     |
| <b>Trading Companies &amp; Distributors 0.2%</b>  |              |             |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class A, 5.13%, 11/30/24 (b) | 427          | 420,258     |
| <b>Transportation Infrastructure 0.1%</b>   |              |             |
| Aguila 3 SA, 7.88%, 1/31/18 (b)   | 176          | 184,360     |
| <b>Wireless Telecommunication Services 3.4%</b>   |              |             |
| Digicel Ltd., 6.00%, 4/15/21 (b)  | 1,082        | 1,044,130   |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20  | 310          | 321,625     |
| Softbank Corp., 4.50%, 4/15/20 (b)  | 660          | 623,990     |
| Sprint Capital Corp., 6.88%, 11/15/28   | 1,285        | 1,159,713   |
| Sprint Communications, Inc. (b):  |              |             |
| 9.00%, 11/15/18   | 2,081        | 2,429,567   |
| 7.00%, 3/01/20  | 1,931        | 2,075,825   |
| T-Mobile USA, Inc., 5.25%, 9/01/18 (b)  | 310          | 313,100     |
| Wind Acquisition Finance SA, 6.50%, 4/30/20 (b)   | 200          | 200,000     |
|   |              | 8,167,950   |
| <b>Total Corporate Bonds 55.0%</b>  |              | 133,904,722 |
| <b>Floating Rate Loan Interests (a)</b>   |              |             |
| <b>Aerospace &amp; Defense 0.9%</b>   |              |             |

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|   |       |           |
|---|-------|-----------|
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/31/20                         | 484   | 486,961   |
| Transdigm, Inc., Term Loan C, 3.75%, 2/28/20                            | 244   | 243,436   |
| TransUnion LLC, Term Loan, 4.25%, 2/10/19                               | 1,446 | 1,453,679 |
|   |       | 2,184,076 |
| <b>Airlines 0.8%</b>  |       |           |
| Delta Air Lines, Inc., Term Loan B1, 4.00%, 10/18/18                    | 994   | 995,498   |
| <b>Airlines (concluded)</b>   |       |           |
| Northwest Airlines, Inc., Term Loan:                                    |       |           |
| 2.30%, 3/10/17  | 113   | 104,484   |
| 2.30%, 3/10/17  | 113   | 104,484   |
| 1.68%, 9/10/18  | 94    | 83,564    |
| 1.68%, 9/10/18  | 95    | 84,375    |
| 1.68%, 9/10/18  | 95    | 84,375    |
| US Airways Group, Inc., Term Loan B1, 4.25%, 5/23/19                    | 440   | 433,677   |
|   |       | 1,890,457 |
| <b>Auto Components 2.7%</b>   |       |           |
| Affinia Group Intermediate Holdings, Inc., Term Loan B2, 4.75%, 4/27/20 | 340   | 340,000   |
| Autoparts Holdings Ltd.:  |       |           |
| 1st Term Loan, 6.50%, 7/28/17   | 834   | 800,907   |
| 2nd Lien Term Loan, 10.50%, 1/29/18                                     | 900   | 866,997   |
| Federal-Mogul Corp.:  |       |           |
| Term Loan B, 2.12% - 2.13%, 12/29/14                                    | 1,703 | 1,658,119 |
| Term Loan C, 2.12% - 2.13%, 12/28/15                                    | 1,040 | 1,012,473 |
| FleetPride Corp., 1st Lien Term Loan, 5.25%, 11/19/19                   | 338   | 326,459   |
| The Goodyear Tire & Rubber Co., 2nd Lien Term Loan, 4.75%, 4/30/19      | 1,110 | 1,115,739 |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17                              | 50    | 50,078    |
| Transtar Holding Co., 1st Lien Term Loan, 5.50%, 10/09/18               | 476   | 478,782   |
|   |       | 6,649,554 |
| <b>Biotechnology 0.2%</b>   |       |           |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17                              | 561   | 563,563   |
| <b>Building Products 0.9%</b>   |       |           |
| Armstrong World Industries, Inc., Term Loan B, 3.50%, 3/16/20           | 249   | 248,502   |
| Continental Building Products LLC, 1st Lien Term Loan, 4.50%, 8/14/20   | 345   | 344,424   |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19                      | 759   | 764,957   |
| Wilsonart International Holdings LLC, Term Loan B, 4.00%, 10/31/19      | 746   | 739,877   |
|   |       | 2,097,760 |
| <b>Capital Markets 0.8%</b>   |       |           |
| American Capital Holdings, Inc., Term Loan, 4.00%, 8/22/16              | 816   | 818,466   |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17                  | 312   | 313,709   |
| KCG Holdings, Inc., Term Loan B, 5.75%, 12/05/17                        | 415   | 413,186   |
| Nuveen Investments, Inc., Term Loan, 4.18%, 5/15/17                     | 403   | 400,640   |
|   |       | 1,946,001 |
| <b>Chemicals 3.1%</b>   |       |           |
| Allnex (Luxembourg) & Cy SCA:   |       |           |
| 2nd Lien Term Loan, 8.25%, 4/03/20                                      | 235   | 240,875   |
| Term Loan B1, 4.50%, 10/03/19   | 244   | 243,605   |
| Term Loan B2, 4.50%, 10/03/19   | 126   | 126,395   |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17              | 195   | 194,449   |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16                        | 605   | 608,753   |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                         | 421   | 422,968   |
| General Chemical Corp., Term Loan, 5.00% - 5.75%, 10/06/15              | 311   | 312,037   |
| INEOS US Finance LLC, 6 Year Term Loan, 4.00%, 5/04/18                  | 390   | 386,919   |
| MacDermid, Inc.:  |       |           |
| 1st Lien Term Loan, 4.00%, 6/08/20                                      | 335   | 335,211   |
| 2nd Lien Term Loan, 7.75%, 12/07/20                                     | 125   | 126,250   |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17                        | 915   | 906,317   |

See Notes to Consolidated Financial Statements.





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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Floating Rate Loan Interests (a)</b>  |              |            |
| <b>Chemicals (concluded)</b>   |              |            |
| OXEA Finance LLC:  |              |            |
| 2nd Lien Term Loan, 8.25%, 7/15/20   | \$ 370       | \$ 368,960 |
| Term Loan B2, 4.25%, 1/15/20   | 510          | 509,148    |
| Royal Adhesives and Sealants LLC, 1st Lien Term Loan, 5.50%, 7/31/18                               | 300          | 303,000    |
| Tata Chemicals North America, Inc., Term Loan B, 3.75%, 8/15/20                                    | 250          | 249,687    |
| Tronox Pigments (Netherlands) BV, Term Loan, 4.50%, 3/19/20  | 520          | 524,821    |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17  | 294          | 286,679    |
| US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, Term Loan, 4.75%, 2/03/20 | 1,476        | 1,485,896  |
|  |              | 7,631,970  |
| <b>Commercial Services &amp; Supplies 2.8%</b>   |              |            |
| ADS Waste Holdings, Inc., Term Loan B, 4.25%, 10/09/19   | 910          | 910,482    |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 3.50%, 7/16/18   | 152          | 152,654    |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16  | 494          | 494,110    |
| Catalent Pharma Solutions, Inc., Term Loan, 6.50%, 12/29/17  | 215          | 215,673    |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19   | 303          | 304,983    |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18  | 891          | 888,585    |
| KAR Auction Services, Inc., Term Loan B, 3.75%, 5/19/17  | 1,198        | 1,201,343  |
| Learning Care Group (US) No. 2, Inc., Term Loan B, 6.00%, 5/08/19                                  | 200          | 199,334    |
| Livingston International, Inc., 1st Lien Term Loan, 5.00%, 4/16/19                                 | 290          | 288,550    |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19                                     | 294          | 294,259    |
| Protection One, Inc., Term Loan, 4.25%, 3/21/19  | 504          | 507,405    |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19  | 685          | 685,644    |
| West Corp., Term Loan B8, 3.75%, 6/29/18   | 650          | 649,617    |
|  |              | 6,792,639  |
| <b>Communications Equipment 2.3%</b>   |              |            |
| Alcatel-Lucent USA, Inc., Term Loan C, 5.75%, 1/30/19  | 2,035        | 2,043,057  |
| Avaya, Inc.:   |              |            |
| Extended Term Loan B3, 4.76%, 10/26/17   | 1,167        | 1,036,661  |
| Term Loan B5, 8.00%, 3/30/18   | 197          | 186,167    |
| CommScope, Inc., Term Loan, 3.75%, 1/12/18   | 817          | 820,713    |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19  | 365          | 367,832    |
| Zayo Group LLC, Term Loan B, 4.50%, 7/02/19  | 1,231        | 1,233,928  |
|  |              | 5,688,358  |
| <b>Construction &amp; Engineering 0.6%</b>   |              |            |
| BakerCorp International, Inc., Term Loan, 4.25%, 2/14/20   | 672          | 669,155    |
| Centaur LLC, 1st Lien Term Loan, 5.25%, 2/15/19  | 539          | 541,791    |
| United States Infrastructure Corp., 1st Lien Term Loan, 4.75%, 7/31/20                             | 250          | 250,125    |
|  |              | 1,461,071  |
| <b>Construction Materials 1.0%</b>   |              |            |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17  | 2,487        | 2,492,983  |
| <b>Consumer Finance 0.2%</b>   |              |            |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17  | 590          | 590,252    |
| <b>Containers &amp; Packaging 0.9%</b>   |              |            |
| Pact Group Pty Ltd., Term Loan B, 3.75%, 5/29/20   | 895          | 884,931    |
| <b>Containers &amp; Packaging (concluded)</b>  |              |            |
| Polarpak, Inc., 1st Lien Canadian Borrower, 4.50%, 6/05/20   | 168          | 168,479    |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18   | 359          | 361,377    |
| Tekni-Plex, Inc., Term Loan B, 5.50% 6.50%, 8/25/19  | 745          | 741,275    |
| WNA Holdings Inc., 1st Lien US Borrower, 4.50%, 6/05/20  | 91           | 91,520     |

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|   |       |           |
|---|-------|-----------|
|   |       | 2,247,582 |
| <b>Distributors 0.7%</b>  |       |           |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20                             | 1,125 | 1,117,687 |
| Crossmark Holdings, Inc., Term Loan, 4.50%, 12/20/19                        | 224   | 222,617   |
| VWR Funding, Inc., Extended Add-on Term Loan, 4.18%, 4/03/17                | 264   | 263,675   |
|   |       | 1,603,979 |
| <b>Diversified Consumer Services 1.3%</b>                                   |       |           |
| Bright Horizons Family Solutions, Inc., Term Loan B, 4.00% - 5.25%, 1/30/20 | 537   | 537,569   |
| Doncaster US Finance LLC, Term Loan, 5.50%, 4/09/20                         | 209   | 211,308   |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18                      | 100   | 95,067    |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18                | 634   | 631,505   |
| ROC Finance LLC, Term Loan, 5.00%, 5/15/19                                  | 230   | 230,287   |
| ServiceMaster Co., Term Loan, 4.25%, 1/31/17                                | 786   | 761,809   |
| Weight Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20           | 703   | 691,043   |
|   |       | 3,158,588 |
| <b>Diversified Financial Services 1.2%</b>                                  |       |           |
| ION Trading Technologies Sarl, 1st Lien Term Loan, 4.50%, 5/22/20           | 380   | 379,764   |
| Kasima LLC, Term Loan B, 3.25%, 5/17/21                                     | 425   | 424,205   |
| Reynolds Group Holdings Inc., Dollar Term Loan, 4.75%, 9/28/18              | 1,130 | 1,137,258 |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18                   | 166   | 167,014   |
| WMG Acquisition Corp., Term Loan, 3.75%, 7/01/20                            | 750   | 747,810   |
|   |       | 2,856,051 |
| <b>Diversified Telecommunication Services 2.8%</b>                          |       |           |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18            | 876   | 883,699   |
| Hawaiian Telcom Communications, Inc., Term Loan B, 5.00%, 6/06/19           | 862   | 862,702   |
| Integra Telecom, Inc., 1st Lien Term Loan, 5.25%, 2/22/19                   | 439   | 442,740   |
| Level 3 Financing, Inc.:  |       |           |
| 2016 Term Loan, 4.00%, 1/15/20  | 225   | 224,813   |
| Term Loan, 4.75%, 8/01/19   | 2,725 | 2,722,139 |
| Syniverse Holdings, Inc., Term Loan B, 4.00%, 4/23/19                       | 435   | 436,905   |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17                           | 1,353 | 1,348,429 |
|   |       | 6,921,427 |
| <b>Electronic Equipment, Instruments &amp; Components 0.2%</b>              |       |           |
| CDW LLC, Term Loan, 3.50%, 4/29/20  | 499   | 492,930   |
| <b>Energy Equipment &amp; Services 0.9%</b>                                 |       |           |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                         | 520   | 516,532   |
| MEG Energy Corp., Refinancing Term Loan, 3.75%, 3/31/20                     | 1,224 | 1,225,037 |
| Tervita Corp., Term Loan, 6.25%, 5/15/18                                    | 272   | 269,435   |
| Unifrax Corp., Term Loan, 4.25%, 11/28/18                                   | 209   | 209,263   |
|   |       | 2,220,267 |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (a)</b>                                       |              |            |
| <b>Food &amp; Staples Retailing 0.5%</b>                                      |              |            |
| Rite Aid Corp.:   |              |            |
| 2nd Lien Term Loan, 5.75%, 8/21/20  | \$ 225       | \$ 230,555 |
| Term Loan 6, 4.00%, 2/21/20   | 209          | 209,737    |
| Supervalu, Inc., Refinancing Term Loan B, 5.00%, 3/21/19                      | 488          | 489,560    |
| US Foods, Inc., Refinancing Term Loan, 4.50%, 3/29/19                         | 205          | 205,170    |
|   |              | 1,135,022  |
| <b>Food Products 2.0%</b>   |              |            |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17                          | 507          | 511,733    |
| CTI Foods Holding Co, LLC, 1st Lien Term Loan, 4.50%, 6/29/20                 | 345          | 341,550    |
| Del Monte Foods Co., Term Loan, 4.00%, 3/08/18                                | 626          | 625,599    |
| Dole Food Co., Inc., Term Loan,<br>3.75% 5.00%, 4/01/20                       | 653          | 652,193    |
| GFA Brands, Inc., Term Loan B, 5.00%, 7/09/20                                 | 210          | 210,088    |
| Performance Food Group Co., 2nd Lien Term Loan, 6.25%, 11/14/19               | 845          | 834,437    |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/29/20                       | 673          | 666,021    |
| Reddy Ice Group, Inc., 1st Lien Term Loan, 6.75% 7.75%, 3/28/19               | 1,072        | 1,069,632  |
|   |              | 4,911,253  |
| <b>Health Care Equipment &amp; Supplies 2.8%</b>                              |              |            |
| Arysta LifeScience Corp., 1st Lien Term Loan, 4.50%, 5/29/20                  | 845          | 844,299    |
| Biomet, Inc., Extended Term Loan B,<br>3.93% 4.02%, 7/25/17                   | 496          | 496,745    |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19         | 667          | 664,088    |
| DJO Finance LLC, Term Loan B3, 4.75%, 9/15/17                                 | 1,337        | 1,344,040  |
| Faenza Acquisition GmbH, Term Loan B, 4.25%, 8/14/20                          | 360          | 360,151    |
| Hologic Inc., Term Loan B, 3.75%, 8/01/19                                     | 1,057        | 1,060,119  |
| IASIS Healthcare LLC, Term Loan B2, 4.50%, 5/03/18                            | 98           | 98,822     |
| Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18                       | 963          | 966,559    |
| Kinetic Concepts, Inc., Term Loan D1, 4.50%, 5/04/18                          | 135          | 135,169    |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18                           | 396          | 392,040    |
| Onex Carestream Finance LP:   |              |            |
| 1st Lien Term Loan, 5.00%, 6/07/19  | 395          | 397,962    |
| 2nd Lien Term Loan, 9.50%, 6/07/19  | 100          | 99,125     |
|   |              | 6,859,119  |
| <b>Health Care Providers &amp; Services 2.7%</b>                              |              |            |
| American Renal Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/20/19             | 559          | 553,712    |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18                      | 269          | 267,978    |
| CHG Buyer Corp., 1st Lien Term Loan, 5.00%, 11/19/19                          | 375          | 377,027    |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16                                    | 1,035        | 1,039,408  |
| DaVita, Inc.:   |              |            |
| Term Loan B, 4.50%, 10/20/16  | 1,073        | 1,079,193  |
| Term Loan B2, 4.00%, 11/01/19   | 587          | 589,146    |
| Envision Healthcare Corp., Term Loan, 4.00%, 5/25/18                          | 339          | 339,455    |
| Genesis HealthCare Corp., Term Loan B,<br>10.00% 10.75%, 9/25/17              | 463          | 476,202    |
| Ikaria Acquisition, Inc., 1st Lien Term Loan, 7.25%, 7/03/18                  | 270          | 270,508    |
| <b>Health Care Providers &amp; Services (concluded)</b>                       |              |            |
| inVentiv Health, Inc.:  |              |            |
| Combined Term Loan, 7.50%, 8/04/16  | 260          | 253,354    |
| Incremental Term Loan B3, 7.75%, 5/15/18                                      | 333          | 326,486    |
| Surgical Care Affiliates, Inc., Class C Incremental Term Loan, 4.25%, 6/29/18 | 405          | 405,000    |
| US Renal Care, Inc., Incremental 1st Lien Term Loan, 5.25%, 7/03/19           | 548          | 547,970    |

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|  |       |            |
|--|-------|------------|
|  |       | 6,525,439  |
| <b>Health Care Technology 0.7%</b>   |       |            |
| IMS Health, Inc., Term Loan B1, 3.75%, 9/01/17                                   | 1,372 | 1,372,938  |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19                                    | 219   | 219,424    |
|  |       | 1,592,362  |
| <b>Hotels, Restaurants &amp; Leisure 4.5%</b>                                    |       |            |
| Bally Technologies, Inc., Term Loan B, 4.25%, 8/31/20                            | 695   | 693,700    |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20                        | 700   | 698,250    |
| Caesars Entertainment Operating Co., Inc., Extended Term Loan B6, 5.43%, 1/26/18 | 125   | 112,258    |
| Drumm Investors LLC, Term Loan, 5.00%, 5/04/18                                   | 542   | 517,058    |
| Four Seasons Holdings, Inc., 2nd Lien Term Loan, 6.25%, 12/28/20                 | 305   | 309,575    |
| Harrah's Property Co., Mezzanine Term Loan, 3.68%, 2/13/14                       | 2,965 | 2,821,197  |
| MGM Resorts International:   |       |            |
| Term Loan A, 2.93%, 12/20/17   | 249   | 248,956    |
| Term Loan B, 3.50%, 12/20/19   | 662   | 658,989    |
| OSI Restaurant Partners LLC, Term Loan, 3.50%, 10/25/19                          | 340   | 339,150    |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                       | 490   | 491,220    |
| Playa Resorts Holding BV, Term Loan B, 4.75%, 8/06/19                            | 380   | 381,110    |
| Sabre, Inc., Term Loan B, 5.25%, 2/19/19   | 303   | 306,185    |
| Six Flags Theme Parks, Inc., Term Loan B,<br>4.00% 5.25%, 12/20/18               | 205   | 207,093    |
| Station Casinos, Inc., Term Loan B, 5.00%, 3/01/20                               | 1,581 | 1,591,583  |
| Travelport LLC, Refinancing Term Loan, 6.25%, 6/26/19                            | 595   | 600,653    |
| Twin River Worldwide Holdings, Inc., Term Loan B, 5.25%, 11/09/18                | 536   | 540,231    |
| Wendy's International, Inc., Term Loan B, 3.25%, 5/15/19                         | 426   | 424,310    |
|  |       | 10,941,518 |
| <b>Household Products 0.5%</b>   |       |            |
| Spectrum Brands, Inc.:   |       |            |
| Term Loan, 4.50% 5.50%, 12/17/19   | 784   | 788,347    |
| Term Loan A, 3.00%, 9/07/17  | 445   | 444,551    |
| Term Loan C, 3.50%, 9/04/19  | 90    | 89,980     |
|  |       | 1,322,878  |
| <b>Independent Power Producers &amp; Energy Traders 1.2%</b>                     |       |            |
| The AES Corp., Refinancing Term Loan B, 3.75%, 6/01/18                           | 726   | 729,669    |
| Calpine Construction Finance Co. LP, Term Loan B1, 3.00%, 5/04/20                | 280   | 276,349    |
| Calpine Corp., Term Loan B1, 4.00%, 4/02/18                                      | 401   | 401,592    |
| La Frontera Generation LLC, Term Loan, 4.50%, 9/30/20                            | 1,030 | 1,030,649  |
| Star West Generation LLC, Term Loan B, 4.25%, 3/13/20                            | 389   | 391,943    |
|  |       | 2,830,202  |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Floating Rate Loan Interests (a)</b>                              |              |              |
| <b>Industrial Conglomerates 0.5%</b>                                 |              |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                             | \$ 1,126     | \$ 1,129,273 |
| <b>Insurance 1.1%</b>  |              |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19               | 398          | 399,246      |
| Asurion LLC, Term Loan B1, 4.50%, 5/24/19                            | 572          | 564,733      |
| CNO Financial Group, Inc.:   |              |              |
| Term Loan B1, 3.00%, 9/28/16   | 332          | 332,094      |
| Term Loan B2, 3.75%, 9/20/18   | 491          | 492,152      |
| Cooper Gay Swett & Crawford Ltd., 1st Lien Term Loan, 5.00%, 4/16/20 | 400          | 402,000      |
| Cunningham Lindsey US, Inc., 1st Lien Term Loan, 5.00%, 12/10/19     | 343          | 338,984      |
| National Financial Partners Corp., Term Loan, 5.25%, 7/01/20         | 165          | 165,929      |
|  |              | 2,695,138    |
| <b>Internet Software &amp; Services 0.2%</b>                         |              |              |
| Web.com Group, Inc., Term Loan B, 4.50%, 10/27/17                    | 371          | 372,287      |
| <b>IT Services 2.8%</b>  |              |              |
| CCC Information Services, Inc., Term Loan, 4.00%, 12/20/19           | 204          | 203,210      |
| Ceridian Corp., Term Loan B, 4.43%, 5/09/17                          | 926          | 925,375      |
| First Data Corp.:  |              |              |
| 2018 Term Loan, 4.18%, 9/24/18                                       | 835          | 824,563      |
| Extended 2018 Term Loan B, 4.18%, 3/23/18                            | 3,219        | 3,184,575    |
| Genpact International, Inc., Term Loan B, 3.50%, 8/30/19             | 517          | 517,617      |
| InfoGroup, Inc., Term Loan, 8.00%, 5/25/18                           | 336          | 301,634      |
| Moneygram International, Inc., Term Loan B, 4.25%, 3/27/20           | 319          | 319,998      |
| SunGard Data Systems, Inc.:  |              |              |
| Term Loan D, 4.50%, 1/31/20  | 254          | 255,783      |
| Term Loan E, 4.00%, 3/09/20  | 165          | 165,565      |
|  |              | 6,698,320    |
| <b>Leisure Equipment &amp; Products 0.1%</b>                         |              |              |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19                     | 282          | 282,648      |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                       |              |              |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                            | 263          | 264,985      |
| <b>Machinery 2.2%</b>  |              |              |
| Alliance Laundry Systems LLC, Refinancing Term Loan, 4.25%, 12/07/18 | 206          | 206,162      |
| Gardner Denver, Inc., Term Loan, 4.25%, 7/30/20                      | 711          | 707,357      |
| Generac Power Systems, Inc., Term Loan B, 3.50%, 5/29/20             | 750          | 745,545      |
| Intelligrated, Inc., 1st Lien Term Loan, 4.50%, 7/30/18              | 397          | 397,496      |
| Mirror Bidco Corp., Term Loan, 5.25%, 12/27/19                       | 537          | 539,986      |
| Navistar International Corp., Term Loan B, 5.75%, 8/17/17            | 609          | 617,595      |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/20/20                    | 452          | 446,753      |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                | 836          | 827,919      |
| Wabash National Corp., Term Loan B, 4.50%, 5/02/19                   | 944          | 946,411      |
|  |              | 5,435,224    |
| <b>Marine 0.2%</b>   |              |              |
| HGIM Corp., Term Loan B, 5.50%, 6/18/20                              | 415          | 416,037      |
| <b>Media 8.1%</b>  |              |              |
| Capsugel Holdings US, Inc., Term Loan B, 4.25%, 8/01/18              | 562          | 565,884      |
| Cengage Learning Acquisitions, Inc.:                                 |              |              |
| Non-Extended Term Loan, 4.75%, 7/03/14                               | 191          | 136,046      |
| Tranche 1 Incremental, 6.00%, 7/03/14                                | 657          | 464,277      |
| <b>Media (concluded)</b>   |              |              |
| Charter Communications Operating LLC, Term Loan E, 3.00%, 7/01/20    | \$ 690       | \$ 682,527   |
| Cumulus Media Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/17/18     | 1,091        | 1,096,015    |
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18               | 367          | 368,422      |

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|  |       |            |
|--|-------|------------|
| Fender Musical Instrument Corp., 2019 Term Loan B, 5.75%, 4/03/19                | 100   | 100,082    |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%, 7/14/17                           | 655   | 657,089    |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                                 | 463   | 445,147    |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19                              | 492   | 495,617    |
| Hemisphere Media Group, Inc., Term Loan, 6.25%, 7/30/20                          | 475   | 475,000    |
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 5.50%, 6/01/18        | 800   | 799,875    |
| Hubbard Radio LLC, Term Loan B, 4.50%, 4/29/19                                   | 484   | 485,297    |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.25%, 4/02/18                       | 5,306 | 5,340,194  |
| Kabel Deutschland GmbH, Term Loan F1, 3.25%, 2/01/19                             | 990   | 988,396    |
| Lions Gate Entertainment Corp., 2nd Lien Term Loan, 5.00%, 7/17/20               | 210   | 210,174    |
| Live Nation Entertainment, Inc., 2020 Term Loan B, 3.50%, 8/16/20                | 215   | 215,335    |
| NEP Supershooters LP, Term Loan, 4.75%, 1/22/20                                  | 627   | 628,104    |
| Nielsen Finance LLC, Term Loan E, 2.94%, 5/02/16                                 | 220   | 221,114    |
| Rentpath, Inc., Term Loan B, 6.25%, 5/29/20                                      | 515   | 504,916    |
| Salem Communications Corp., Term Loan B, 4.50%, 3/16/20                          | 380   | 381,607    |
| Sinclair Television Group, Inc., Term Loan B, 3.00%, 4/09/20                     | 200   | 199,001    |
| Springer Science & Business Media Deutschland GmbH, Term Loan B2, 5.00%, 7/31/20 | 725   | 718,207    |
| TWCC Holding Corp., 2nd Lien Term Loan, 7.00%, 6/26/20                           | 440   | 451,000    |
| Univision Communications, Inc., Converted Extended Term Loan, 4.50%, 3/02/20     | 1,026 | 1,022,790  |
| UPC Financing Partnership, Term Loan AH, 3.25%, 6/30/21                          | 425   | 422,904    |
| Virgin Media Investment Holdings Ltd., Term Loan B, 3.50%, 6/08/20               | 980   | 975,071    |
| WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18                                      | 262   | 261,913    |
| WideOpenWest Finance LLC, Term Loan B, 4.75%, 4/01/19                            | 342   | 343,575    |
|  |       | 19,655,579 |
| <b>Metals &amp; Mining 3.0%</b>  |       |            |
| Ameriforge Group, Inc., 1st Lien Term Loan, 5.00%, 12/19/19                      | 353   | 353,006    |
| API Heat Transfer Inc., Term Loan, 5.25%, 5/03/19                                | 360   | 355,500    |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20                               | 788   | 805,756    |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17                            | 1,747 | 1,752,704  |
| Murray Energy Corp., Term Loan B, 4.75%, 5/24/19                                 | 195   | 194,610    |
| Novelis, Inc., Term Loan, 3.75%, 3/10/17   | 1,970 | 1,968,357  |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18                                | 258   | 255,905    |
| Walter Energy, Inc., Term Loan B, 6.75%, 4/02/18                                 | 1,130 | 1,076,258  |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17                              | 592   | 606,001    |
|  |       | 7,368,097  |
| <b>Multiline Retail 1.0%</b>   |       |            |
| 99¢ Only Stores, Term Loan, 5.25% 6.25%, 1/11/19                                 | 684   | 688,420    |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/31/20                                 | 459   | 459,915    |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Floating Rate Loan Interests (a)</b>                                |              |              |
| <b>Multiline Retail (concluded)</b>                                    |              |              |
| BJ's Wholesale Club, Inc., Replacement Term Loan, 4.25%, 9/26/19       | \$ 387       | \$ 387,033   |
| JC Penney Corp., Inc., 1st Lien Term Loan, 6.00%, 5/21/18              | 355          | 345,976      |
| The Neiman Marcus Group, Inc., Extended Term Loan, 4.00%, 5/16/18      | 585          | 584,005      |
|  |              | 2,465,349    |
| <b>Oil, Gas &amp; Consumable Fuels 3.3%</b>                            |              |              |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17          | 1,230        | 1,252,546    |
| Drillships Financing Holding Inc., Term Loan B2, 5.50%, 7/15/16        | 785          | 790,887      |
| EP Energy LLC, Term Loan B3, 3.50%, 5/24/18                            | 430          | 428,031      |
| GIM Channelview Cogeneration LLC, Term Loan B, 4.25%, 5/08/20          | 435          | 435,726      |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                 | 646          | 646,032      |
| Pacific Drilling SA, Term Loan B, 4.50%, 6/04/18                       | 530          | 531,987      |
| Panda Temple II Power LCC, Term Loan B, 7.25%, 4/03/19                 | 330          | 334,125      |
| Philadelphia Energy Solutions LLC, Term Loan B, 6.25%, 4/04/18         | 354          | 339,456      |
| Power Team Services LLC, 1st Lien Term Loan, 4.25%, 5/06/20            | 187          | 184,567      |
| Quicksilver Resources, Inc., 2nd Lien Term Loan, 7.00%, 6/21/19        | 210          | 199,500      |
| Ruby Western Pipeline Holdings LLC, Term Loan B, 3.50%, 3/27/20        | 409          | 406,667      |
| Samson Investment Co., 2nd Lien Term Loan, 6.00%, 9/25/18              | 275          | 276,205      |
| Tesoro Corp., Term Loan B, 2.51%, 1/29/16                              | 514          | 514,139      |
| Total Safety US, Inc., 1st Lien Term Loan, 5.75%, 3/13/20              | 384          | 386,438      |
| Vantage Drilling Co.:  |              |              |
| Term Loan, 6.25%, 10/26/17   | 990          | 997,206      |
| Term Loan B, 5.75%, 3/22/19  | 379          | 381,893      |
|  |              | 8,105,405    |
| <b>Paper &amp; Forest Products 0.2%</b>                                |              |              |
| NewPage Corp., Exit Term Loan, 7.75%, 12/21/18                         | 439          | 445,068      |
| <b>Pharmaceuticals 2.9%</b>  |              |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                      | 1,174        | 1,176,549    |
| Par Pharmaceutical, Refinancing Term Loan B, 4.25%, 9/30/19            | 1,737        | 1,727,674    |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 | 1,342        | 1,340,732    |
| Quintiles Transnational Corp., Term Loan B, 4.00%, 6/08/18             | 683          | 685,399      |
| Valeant Pharmaceuticals International, Inc.:                           |              |              |
| Series C1 Term Loan B, 4.38%, 12/11/19                                 | 619          | 619,988      |
| Series D1 Term Loan B, 4.38%, 2/13/19                                  | 649          | 650,897      |
| Term Loan E, 4.50%, 8/05/20  | 338          | 340,996      |
| Warner Chilcott Corp.:   |              |              |
| Incremental Term Loan B1, 4.25%, 3/15/18                               | 145          | 144,688      |
| Term Loan B1, 4.25%, 3/15/18   | 332          | 332,369      |
|  |              | 7,019,292    |
| <b>Professional Services 1.1%</b>                                      |              |              |
| Emdeon Business Services LLC, Term Loan B2, 3.75%, 11/02/18            | 1,190        | 1,192,154    |
| ON Assignment, Inc., Refinancing Term Loan B, 3.50%, 4/30/20           | 229          | 228,217      |
| SIRVA Worldwide, Inc., Term Loan, 7.50%, 3/27/19                       | 399          | 398,003      |
| TriNet Group, Inc., Term Loan B2, 5.00%, 8/14/20                       | 300          | 297,000      |
| Truven Health Analytics, Inc., Term Loan B, 4.50%, 6/01/19             | 554          | 556,029      |
|  |              | 2,671,403    |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                      |              |              |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17                      | \$ 1,301     | \$ 1,300,503 |
| <b>Real Estate Management &amp; Development 1.2%</b>                   |              |              |
| Realogy Corp.:   |              |              |
| Extended Letter of Credit, 4.45%, 10/10/16                             | 976          | 981,365      |
| Extended Term Loan, 4.50%, 3/05/20                                     | 1,935        | 1,945,793    |



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|  |       |            |
|--|-------|------------|
|  |       | 2,927,158  |
| <b>Road &amp; Rail 0.2%</b>  |       |            |
| Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18          | 429   | 431,036    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.5%</b>                 |       |            |
| Freescale Semiconductor, Inc.:   |       |            |
| Term Loan B3, 4.25%, 12/01/16  | 150   | 150,747    |
| Term Loan B4, 5.00%, 2/28/20   | 798   | 800,562    |
| NXP BV, Term Loan C, 4.75%, 1/11/20                                      | 363   | 368,056    |
|  |       | 1,319,365  |
| <b>Software 2.2%</b>   |       |            |
| Blackboard, Inc., Term Loan B2, 6.25%, 10/04/18                          | 147   | 147,247    |
| BMC Software, Inc., Term Loan, 5.00%, 8/07/20                            | 525   | 523,908    |
| CompuCom Systems, Inc., Refinancing Term Loan B, 4.25%, 5/11/20          | 160   | 158,400    |
| Evertec, Inc., Term Loan B, 3.50%, 4/15/20                               | 230   | 228,390    |
| GCA Services Group, Inc., Term Loan B, 5.25%, 11/01/19                   | 413   | 413,601    |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                             | 1,350 | 1,357,497  |
| RP Crown Parent LLC, 1st Lien Term Loan, 6.75%, 12/21/18                 | 453   | 456,686    |
| Sophia LP, Term Loan B, 4.50%, 7/19/18                                   | 627   | 628,739    |
| SS&C Technologies, Inc.:   |       |            |
| Term Loan B1, 3.50%, 6/07/19   | 673   | 672,608    |
| Term Loan B2, 3.50%, 6/07/19   | 70    | 69,580     |
| StoneRiver Holdings, Inc., 1st Lien Term Loan, 4.50%, 11/20/19           | 430   | 427,850    |
| Websence, Inc., Term Loan B, 4.50%, 6/25/20                              | 210   | 209,738    |
|  |       | 5,294,244  |
| <b>Specialty Retail 4.3%</b>   |       |            |
| Academy Ltd., Term Loan, 4.50%, 8/03/18                                  | 1,084 | 1,088,221  |
| Atlantic Aviation FBO, Inc., Term Loan B, 3.25%, 6/01/20                 | 255   | 252,769    |
| Bass Pro Group LLC, Term Loan, 4.00%, 11/20/19                           | 567   | 567,115    |
| Burlington Coat Factory Warehouse Corp.,<br>Term Loan B2, 4.25%, 2/23/17 | 329   | 331,473    |
| David s Bridal, Inc., Term Loan B, 5.00%, 10/11/19                       | 861   | 865,185    |
| Equinox Holdings, Inc., Repriced Term Loan B, 4.50% 5.50%, 1/31/20       | 424   | 425,527    |
| The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18                    | 67    | 63,764     |
| Harbor Freight Tools USA, Inc., 1st Lien Term Loan, 4.75%, 7/16/19       | 667   | 672,814    |
| Jo-Ann Stores, Inc., Term Loan, 4.00%, 3/16/18                           | 383   | 382,718    |
| Leslie s Poolmart, Inc., Term Loan B, 5.25%, 10/16/19                    | 689   | 693,106    |
| Michaels Stores, Inc., Term Loan, 3.75%, 1/28/20                         | 728   | 730,221    |
| Party City Holdings, Inc., Refinancing Term Loan B, 4.25%, 7/29/19       | 1,457 | 1,453,356  |
| Petco Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17                  | 1,063 | 1,066,128  |
| Sprouts Farmers Markets Holdings LLC, Term Loan, 4.00%, 4/23/20          | 193   | 193,017    |
| SRAM LLC, Term Loan B, 4.00% 5.25%, 4/10/20                              | 214   | 212,613    |
| The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19                 | 451   | 453,641    |
| Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18                     | 745   | 741,076    |
| Toys R Us-Delaware, Inc.:  |       |            |
| Incremental Term Loan B2, 5.25%, 5/25/18                                 | 153   | 148,163    |
| Term Loan B3, 5.25%, 5/25/18   | 47    | 45,155     |
|  |       | 10,386,062 |

See Notes to Consolidated Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc. (ARK)

(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value       |
|--|--------------|-------------|
| <b>Floating Rate Loan Interests (a)</b>                            |              |             |
| <b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>                   |              |             |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18      | \$ 864       | \$ 827,624  |
| PVH Corp., Term Loan B, 3.25%, 2/13/20                             | 499          | 500,447     |
| True Religion Apparel, Inc., 1st Lien Term Loan, 5.88%, 7/30/19    | 145          | 136,754     |
| Wolverine Worldwide, Inc., Term Loan B,<br>4.00% 5.25%, 7/31/19    | 417          | 419,003     |
|  |              | 1,883,828   |
| <b>Thrifts &amp; Mortgage Finance 0.3%</b>                         |              |             |
| Insight Global Holdings, Inc., 1st Lien Term Loan, 6.00%, 10/31/19 | 423          | 427,104     |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18                   | 354          | 357,476     |
|  |              | 784,580     |
| <b>Trading Companies &amp; Distributors 0.2%</b>                   |              |             |
| WESCO Distribution, Inc., Term Loan B, 4.50%, 12/12/19             | 471          | 472,946     |
| <b>Wireless Telecommunication Services 0.5%</b>                    |              |             |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19           | 333          | 333,657     |
| Light Tower Fiber LLC, 1st Lien Term Loan, 4.50%, 4/13/20          | 580          | 582,900     |
| Time Warner Telecom Holdings Inc., Term Loan B, 2.69%, 4/17/20     | 320          | 319,840     |
|  |              | 1,236,397   |
| <b>Total Floating Rate Loan Interests 76.7%</b>                    |              | 186,667,525 |

**Beneficial****Interest**

|  | (000) |         |
|--|-------|---------|
| <b>Other Interests (d)(i)</b>                |       |         |
| <b>Auto Components 0.0%</b>                  |       |         |
| Intermet Liquidating Trust, Class A          | 320   | 3       |
| <b>Diversified Financial Services 0.2%</b>   |       |         |
| J.G.Wentworth LLC Preferred Equity Interests | (j)   | 387,385 |
| <b>Media 0.0%</b>                            |       |         |
| Adelphia Preferred Escrow                    | 3     |         |
| Adelphia Recovery Trust, Series ACC-6B INT   | 250   | 7,500   |
|  |       | 7,500   |
| <b>Total Other Interests 0.2%</b>            |       | 394,888 |

|  | Shares | Value        |
|--|--------|--------------|
| <b>Trust Preferreds</b>                            |        |              |
| <b>Diversified Financial Services 0.8%</b>         |        |              |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (a) | 71,810 | \$ 1,896,390 |
| <b>Total Trust Preferreds 0.8%</b>                 |        | 1,896,390    |

**Warrants (k)**

|  |         |         |
|--|---------|---------|
| <b>Chemicals 0.1%</b>  |         |         |
| GEO Specialty Chemicals, Inc., (Expires 3/31/15)   | 172,462 | 136,245 |
| <b>Media 0.1%</b>  |         |         |
| Charter Communications, Inc., (Issued/exercisable 11/30/09, 1 Share for 1 Warrant, Expires 11/30/14, Strike Price \$51.28) | 6,862   | 490,633 |
| <b>Software 0.0%</b>   |         |         |
|  | 982     |         |

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HMH Holdings/EduMedia, (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)

|  |           |                       |
|--|-----------|-----------------------|
| <b>Total Warrants</b> 0.2%                           |           | 626,878               |
| <b>Total Long-Term Investments</b>                   |           | 334,847,971           |
| <b>(Cost \$338,065,604) 137.6%</b>                   |           |                       |
| <b>Beneficial</b>                                    |           |                       |
| <b>Interest</b>                                      |           |                       |
| <b>(000)</b>   |           |                       |
| <b>Short-Term Securities</b>                         | <b>\$</b> |                       |
| Bank of New York Cash Reserves, 0.00% (1)            | 2,058     | 2,057,965             |
| <b>Total Short-Term Securities</b>                   |           | 2,057,965             |
| <b>(Cost \$2,057,965) 0.8%</b>                       |           | 2,057,965             |
| <b>Total Investments (Cost \$340,123,569) 138.4%</b> |           | <b>\$ 336,905,936</b> |
| <b>Liabilities in Excess of Other Assets (38.4)%</b> |           | <b>(93,428,139)</b>   |
| <b>Net Assets 100.0%</b>                             |           | <b>\$ 243,477,797</b> |

### Notes to Consolidated Schedule of Investments

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) When-issued security. Unsettled when-issued transactions were as follows:
- | Counterparty               | Value        | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------|--------------|--|
| J.P. Morgan Securities LLC | \$ 1,536,633 |  |
| Bank of America N.A.       | \$ 238,000   |  |
- (d) Non-income producing security.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (g) Convertible security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Senior High Income Fund, Inc. (ARK)**

- (i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (j) Amount is less than \$500.
- (k) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date of the warrants, if any.
- (l) Represents the current yield as of report date.

Investments in issuers considered to be an affiliate of the Fund during the six months ended August 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| <b>Affiliate</b>   | <b>Shares Held<br/>at February 28,<br/>2013</b> | <b>Net<br/>Activity</b> | <b>Shares Held<br/>at August 31,<br/>2013</b> | <b>Income</b> |
|--|---|-------------------------|---|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,447,698                                       | (2,447,698)             |   | \$ 731        |

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2013 were as follows:

| <b>Currency<br/>Purchased</b> | <b>Currency<br/>Sold</b> | <b>Counterparty</b> | <b>Settlement<br/>Date</b> | <b>Unrealized<br/>Appreciation</b> |
|-------------------------------|--------------------------|---------------------|----------------------------|------------------------------------|
| USD 55,753                    | CAD 58,000               | Citibank N.A.       | 10/22/13                   | \$ 753                             |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1** unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

**Level 2** other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments

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categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Consolidated Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2013:

|                              | Level 1            | Level 2               | Level 3             | Total                 |
|------------------------------|--------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>               |                    |                       |                     |                       |
| Investments:                 |                    |                       |                     |                       |
| Long-Term Investments:       |                    |                       |                     |                       |
| Asset-Backed Securities      |                    |                       | \$ 8,427,323        | \$ 8,427,323          |
| Common Stocks                | \$ 1,355,316       | \$ 1,460,956          | 113,973             | 2,930,245             |
| Corporate Bonds              |                    | 129,272,940           | 4,631,782           | 133,904,722           |
| Floating Rate Loan Interests |                    | 166,747,948           | 19,919,577          | 186,667,525           |
| Other Interests              | 7,500              |                       | 387,388             | 394,888               |
| Preferred Securities         | 1,896,390          |                       |                     | 1,896,390             |
| Warrants                     | 490,633            |                       | 136,245             | 626,878               |
| Short-Term Securities        | 2,057,965          |                       |                     | 2,057,965             |
| Unfunded Loan Commitments    |                    | 4,723                 |                     | 4,723                 |
| <b>Liabilities:</b>          |                    |                       |                     |                       |
| Unfunded Loan Commitments    |                    | (149)                 |                     | (149)                 |
| <b>Total</b>                 | <b>\$5,807,804</b> | <b>\$ 297,486,418</b> | <b>\$33,616,288</b> | <b>\$ 336,910,510</b> |

|   | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| Derivative Financial Instruments <sup>1</sup> |         |         |         |        |
| <b>Assets:</b>                                |         |         |         |        |
| Foreign currency exchange contracts           |         | \$ 753  |         | \$ 753 |

<sup>1</sup> Derivative financial instruments are foreign currency exchange contracts. Foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments (concluded)****BlackRock Senior High Income Fund, Inc. (ARK)**

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|                           | Level 1   | Level 2         | Level 3 | Total           |
|---------------------------|-----------|-----------------|---------|-----------------|
| <b>Assets:</b>            |           |                 |         |                 |
| Cash                      | \$ 41,987 |                 |         | \$ 41,987       |
| Foreign currency at value | 563       |                 |         | 563             |
| <b>Liabilities:</b>       |           |                 |         |                 |
| Loan payable              |           | \$ (87,000,000) |         | (87,000,000)    |
| <b>Total</b>              | \$ 42,550 | \$ (87,000,000) |         | \$ (86,957,450) |

There were no transfers between Level 1 and Level 2 during the six months ended August 31, 2013.

A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants   | Total         |
|---|-------------------------|---------------|-----------------|------------------------------|-----------------|------------|---------------|
| <b>Assets:</b>  |                         |               |                 |                              |                 |            |               |
| Opening balance, as of February 28, 2013                        | \$ 10,426,035           | \$ 93,315     | \$ 3,916,065    | \$ 16,996,955                | \$ 645,641      | \$ 11,124  | \$ 32,089,135 |
| Transfers into Level 3 <sup>1</sup>                             | 238,750                 |               |                 | 5,432,442                    |                 |            | 5,671,192     |
| Transfers out of Level 3 <sup>2</sup>                           |                         |               |                 | (4,231,877)                  |                 |            | (4,231,877)   |
| Accrued discounts/premiums                                      | 21,465                  |               | 43,151          | 21,563                       |                 |            | 86,179        |
| Net realized gain   | 272,514                 |               |                 | 99,634                       |                 |            | 372,148       |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | (256,869)               | 20,658        | 672,566         | (182,617)                    | (84,037)        | 125,121    | 294,822       |
| Purchases   | 2,243,383               |               |                 | 11,164,487                   |                 |            | 13,407,870    |
| Sales   | (4,517,955)             |               |                 | (9,381,010)                  | (174,216)       |            | (14,073,181)  |
| <b>Closing balance, as of August 31, 2013</b>                   | \$ 8,427,323            | \$ 113,973    | \$ 4,631,782    | \$ 19,919,577                | \$ 387,388      | \$ 136,245 | \$ 33,616,288 |

<sup>1</sup> As of February 28, 2013, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2013, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$5,671,192 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$4,231,877 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2013 was \$635,614. The following table summarizes the valuation techniques used and unobservable inputs utilized by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of August 31, 2013. The table does not include Level 3 investments with values based upon unadjusted third party pricing information. Level 3 investments valued using third party pricing information was \$28,269,572. A significant change in such third party pricing information could result in a significantly lower or higher value of such Level 3 investments.

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|                              | Value               | Valuation Techniques             | Unobservable Inputs <sup>4</sup> | Range of Unobservable Inputs Utilized |
|------------------------------|---------------------|----------------------------------|----------------------------------|---------------------------------------|
| <b>Assets:</b>               |                     |                                  |                                  |                                       |
| Common Stocks                | \$ 113,973          | Market Comparable Companies      | Last 12 Months EBITDA Multiple   | 6.50x                                 |
|                              |                     |                                  | Illiquidity Discount             | 17.50%                                |
| Corporate Bonds <sup>5</sup> | 4,355,422           | Market Comparable Companies      | Last 12 Months EBITDA Multiple   | 6.50x 10.00x                          |
|                              |                     |                                  | Illiquidity Discount             | 17.50%                                |
| Floating Rate Loan Interests | 741,076             | Market Comparable Yield Analysis | Yield                            | 8.13%                                 |
| Warrants                     | 136,245             | Market Comparable Companies      | Last 12 Months EBITDA Multiple   | 6.50x                                 |
|                              |                     |                                  | Illiquidity Discount             | 17.50%                                |
| <b>Total</b>                 | <b>\$ 5,346,716</b> |                                  |                                  |                                       |

<sup>4</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input             | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------------------|------------------------------------|------------------------------------|
| Last 12 Months EBITDA Multiple | Increase                           | Decrease                           |
| Illiquidity Discount           | Decrease                           | Increase                           |
| Yield                          | Decrease                           | Increase                           |

<sup>5</sup> For the six months ended August 31, 2013, the valuation technique for certain investments classified as corporate bonds changed to a market approach. The investment was previously valued utilizing acquisition cost. Market information became available for this investment which is considered to be a more relevant measure of fair value for this investment.

See Notes to Consolidated Financial Statements.



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## Consolidated Statements of Assets and Liabilities

| August 31, 2013 (Unaudited)                                    | BlackRock<br>Corporate<br>High Yield<br>Fund, Inc.<br>(COY) | BlackRock<br>Corporate<br>High Yield<br>Fund III, Inc.<br>(CYE) | BlackRock<br>Debt Strategies<br>Fund, Inc.<br>(DSU) | BlackRock<br>Senior High<br>Income<br>Fund, Inc.<br>(ARK) |
|--|---|---|---|---|
| <b>Assets</b>  |   |   |   |   |
| Investments at value unaffiliated                              | \$ 374,862,499  | \$ 411,105,024  | \$ 659,626,481                                      | \$ 336,905,936  |
| Investments at value affiliated                                | 1,579,905   | 1,962,371   |   |   |
| Cash   | 53,290  | 1,565   | 68,914  | 41,987  |
| Cash pledged for financial futures contracts                   | 75,000  | 80,000  |   |   |
| Cash pledged as collateral for over-the-counter swaps          | 600,000   |   |   |   |
| Cash pledged for centrally cleared swaps                       |   |   | 310,000   |   |
| Interest receivable  | 5,770,971   | 6,262,742   | 7,051,440   | 3,386,993   |
| Investments sold receivable                                    | 2,329,974   | 1,104,816   | 4,442,692   | 3,180,345   |
| Unrealized appreciation on swaps                               | 542,315   | 556,458   | 57,075  |   |
| Unrealized appreciation on foreign currency exchange contracts | 407,908   | 436,192   | 352,390   | 753   |
| Swaps receivable   | 82,110  | 82,861  | 40,884  |   |
| Foreign currency at value <sup>3</sup>                         | 95,193  | 11,461  | 39,211  | 563   |
| Swap premiums paid   | 54,604  | 60,004  |   |   |
| Unrealized appreciation on unfunded loan commitments           | 7,406   | 8,058   | 8,974   | 4,723   |
| Dividends receivable   | 8,966   | 11,362  |   |   |
| Variation margin receivable on financial futures contracts     | 1,250   | 1,375   |   |   |
| Variation margin receivable on centrally cleared swaps         |   |   | 3,062   |   |
| Income tax refund receivable                                   |   |   | 111,451   |   |
| Prepaid expenses   | 3,117   | 3,094   | 5,868   | 2,779   |
| Other assets   |   |   | 217,628   |   |
| <b>Total assets</b>  | <b>386,474,508</b>  | <b>421,687,383</b>  | <b>672,336,070</b>                                  | <b>343,524,079</b>  |
| <b>Liabilities</b>   |   |   |   |   |
| Loan payable   | 108,000,000   | 121,000,000   | 183,000,000   | 87,000,000  |
| Investments purchased payable                                  | 7,987,007   | 6,718,975   | 18,942,944  | 12,623,177  |
| Swap premiums received   | 1,086,281   | 1,001,510   | 988,342   |   |
| Cash received as collateral for over-the-counter swaps         | 600,000   | 500,000   |   |   |
| Investment advisory fees payable                               | 156,901   | 207,062   | 331,836   | 141,282   |
| Unrealized depreciation on foreign currency exchange contracts | 242,208   | 262,631   | 193,655   |   |
| Options written at value <sup>4</sup>                          | 280,700   | 305,850   |   |   |
| Interest expense payable                                       | 80,045  | 90,141  | 143,142   | 69,570  |
| Income dividends payable                                       | 89,208  | 79,687  | 122,530   | 63,588  |
| Unrealized depreciation on swaps                               | 87,932  | 96,086  | 108,297   |   |
| Officers and Directors fees payable                            | 1,812   | 1,978   | 147,170   | 1,693   |
| Swaps payable  | 1,904   | 2,093   | 3,056   |   |
| Unrealized depreciation on unfunded loan commitments           |   |   | 288   | 149   |
| Reorganization costs payable                                   |   |   | 175,714   |   |
| Other accrued expenses payable                                 | 162,318   | 150,579   | 228,939   | 146,823   |
| <b>Total liabilities</b>                                       | <b>118,776,316</b>  | <b>130,416,592</b>  | <b>204,385,913</b>                                  | <b>100,046,282</b>  |
| <b>Net Assets</b>  | <b>\$ 267,698,192</b>                                       | <b>\$ 291,270,791</b>   | <b>\$ 467,950,157</b>                               | <b>\$ 243,477,797</b>                                     |
| <b>Net Assets Consist of</b>                                   |   |   |   |   |
| Paid-in capital <sup>5</sup>                                   | \$ 306,628,572  | \$ 326,380,162  | \$ 760,579,309                                      | \$ 350,311,348  |
| Undistributed net investment income                            | 4,091,709   | 1,306,795   | 695,638   | 3,122,933   |
| Accumulated net realized loss                                  | (43,765,856)  | (38,459,389)  | (256,470,003)                                       | (106,744,171)   |
| Net unrealized appreciation/depreciation                       | 743,767   | 2,043,223   | (36,854,787)  | (3,212,313)   |

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|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <b>Net Assets</b>  | \$ 267,698,192 | \$ 291,270,791 | \$ 467,950,157 | \$ 243,477,797 |
| Net asset value, offering and redemption price per share                                   | \$ 7.64        | \$ 7.76        | \$ 4.32        | \$ 4.28        |
| <sup>1</sup> Investments at cost unaffiliated  | \$ 374,734,723 | \$ 409,691,613 | \$ 696,876,313 | \$ 340,123,569 |
| <sup>2</sup> Investments at cost affiliated  | \$ 1,579,905   | \$ 1,962,371   |                |                |
| <sup>3</sup> Foreign currency at cost  | \$ 96,126      | \$ 11,379      | \$ 39,722      | \$ 570         |
| <sup>4</sup> Premiums received   | \$ 265,802     | \$ 289,600     |                |                |
| <sup>5</sup> Shares outstanding, 200 million shares authorized, par value \$0.10 per share | 35,027,459     | 37,552,995     | 108,422,139    | 56,886,649     |

See Notes to Consolidated Financial Statements.

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## Consolidated Statements of Operations

| Six Months Ended August 31, 2013 (Unaudited)             | BlackRock<br>Corporate<br>High Yield<br>Fund, Inc.<br>(COY) | BlackRock<br>Corporate<br>High Yield<br>Fund III, Inc.<br>(CYE) | BlackRock<br>Debt Strategies<br>Fund, Inc.<br>(DSU) | BlackRock<br>Senior High<br>Income<br>Fund, Inc.<br>(ARK) |
|--|---|---|---|---|
| <b>Investment Income</b>                                 |   |   |   |   |
| Interest   | \$ 12,084,073   | \$ 13,364,993   | \$ 20,282,461                                       | \$ 9,979,365  |
| Dividends unaffiliated                                   | 84,007  | 103,050   | 9,748   | 4,874   |
| Dividends affiliated                                     | 704   | 15,265  | 1,322   | 731   |
| Total income   | 12,168,784  | 13,483,308  | 20,293,531  | 9,984,970   |
| <b>Expenses</b>  |   |   |   |   |
| Investment advisory                                      | 941,989   | 1,252,233   | 2,035,915   | 870,741   |
| Reorganization   | 375,000   | 355,000   | 175,714   | 470,000   |
| Professional   | 59,318  | 60,541  | 96,060  | 65,904  |
| Accounting services                                      | 29,189  | 31,802  | 47,736  | 26,633  |
| Transfer agent   | 24,111  | 21,835  | 46,397  | 28,388  |
| Officer and Directors                                    | 16,337  | 17,803  | 22,561  | 14,935  |
| Custodian  | 14,731  | 41,683  | 27,906  | 18,518  |
| Printing   | 10,443  | 10,908  | 13,694  | 9,969   |
| Registration   | 3,175   | 3,438   | 9,646   | 5,135   |
| Miscellaneous  | 26,404  | 38,287  | 45,157  | 26,754  |
| Total expenses excluding interest expense and income tax | 1,500,697   | 1,833,530   | 2,520,786   | 1,536,977   |
| Interest expense   | 443,126   | 562,858   | 951,775   | 471,195   |
| Income tax   |   |   | 12,975  |   |
| Total expenses   | 1,943,823   | 2,396,388   | 3,485,536   | 2,008,172   |
| Less fees waived by Manager                              | (666)   | (338)   | (1,545)   | (776)   |
| Less reorganization costs reimbursed by Manager          | (375,000)   | (355,000)   |   | (470,000)   |
| Total expenses after fees waived and/or reimbursed       | 1,568,157   | 2,041,050   | 3,483,991   | 1,537,396   |
| Net investment income                                    | 10,600,627  | 11,442,258  | 16,809,540  | 8,447,574   |
| <b>Realized and Unrealized Gain (Loss)</b>               |   |   |   |   |
| Net realized gain (loss) from:                           |   |   |   |   |
| Investments unaffiliated                                 | 6,231,527   | 6,969,417   | 5,892,588   | 2,520,076   |
| Investments affiliated                                   |   | (35,468)  |   |   |
| Financial futures contracts                              | (615,941)   | (664,756)   |   |   |
| Foreign currency transactions                            | 456,064   | 543,798   | 409,810   | 18,289  |
| Options written  | 70,875  | 77,000  |   |   |
| Swaps  | 452,343   | 455,583   | 307,831   | 5,065   |
|  | 6,594,868   | 7,345,574   | 6,610,229   | 2,543,430   |
| Net change in unrealized appreciation/depreciation on:   |   |   |   |   |
| Investments  | (9,566,227)   | (10,717,010)  | (12,552,873)  | (6,357,554)   |
| Financial futures contracts                              | 62,446  | 66,687  |   |   |
| Foreign currency translations                            | (769,726)   | (838,812)   | (758,462)   | (16,390)  |
| Options written  | (62,758)  | (68,246)  |   |   |
| Swaps  | (356,389)   | (385,674)   | (259,170)   | 1,286   |
| Unfunded loan commitments                                | 7,406   | 8,058   | 8,449   | 4,450   |

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|   |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | (10,685,248)        | (11,934,997)        | (13,562,056)        | (6,368,208)         |
| Total realized and unrealized loss                          | (4,090,380)         | (4,589,423)         | (6,951,827)         | (3,824,778)         |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 6,510,247</b> | <b>\$ 6,852,835</b> | <b>\$ 9,857,713</b> | <b>\$ 4,622,796</b> |

See Notes to Consolidated Financial Statements.

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## Consolidated Statements of Changes in Net Assets

|  | BlackRock Corporate<br>High Yield Fund, Inc. (COY) |                                    | BlackRock Corporate<br>High Yield Fund III, Inc.<br>(CYE) |                                    |
|--|--|------------------------------------|---|------------------------------------|
|  | Six Months Ended<br>August 31,<br>2013             | Year Ended<br>February 28,<br>2013 | Six Months Ended<br>August 31,<br>2013                    | Year Ended<br>February 28,<br>2013 |
| Increase (Decrease) in Net Assets:                   | (Unaudited)  | (Unaudited)                        | (Unaudited)   | (Unaudited)                        |
| <b>Operations</b>                                    |  |                                    |   |                                    |
| Net investment income                                | \$ 10,600,627                                      | \$ 21,931,349                      | \$ 11,442,258   | \$ 24,108,997                      |
| Net realized gain                                    | 6,594,868  | 10,149,192                         | 7,345,574   | 11,438,011                         |
| Net change in unrealized appreciation/depreciation   | (10,685,248)                                       | 5,628,801                          | (11,934,997)  | 7,439,438                          |
| Net increase in net assets resulting from operations | 6,510,247  | 37,709,342                         | 6,852,835   | 42,986,446                         |
| <b>Dividends to Shareholders From</b>                |  |                                    |   |                                    |
| Net investment income                                | (10,611,570)                                       | (21,373,512) <sup>1</sup>          | (11,678,434)  | (25,164,743) <sup>1</sup>          |
| <b>Capital Share Transactions</b>                    |  |                                    |   |                                    |
| Reinvestment of dividends                            | 182,526  | 1,105,397                          | 88,680  | 999,385                            |
| <b>Net Assets</b>                                    |  |                                    |   |                                    |
| Total increase (decrease) in net assets              | (3,918,797)  | 17,441,227                         | (4,736,919)   | 18,821,088                         |
| Beginning of period                                  | 271,616,989  | 254,175,762                        | 296,007,710   | 277,186,622                        |
| End of period  | \$ 267,698,192                                     | \$ 271,616,989                     | \$ 291,270,791  | \$ 296,007,710                     |
| Undistributed net investment income, end of period   | \$ 4,091,709                                       | \$ 4,102,652                       | \$ 1,306,795  | \$ 1,542,971                       |

|  | BlackRock Debt<br>Strategies Fund, Inc. (DSU) |                                    | BlackRock Senior High<br>Income Fund, Inc. (ARK) |                                    |
|--|---|------------------------------------|--|------------------------------------|
|  | Six Months Ended<br>August 31,<br>2013        | Year Ended<br>February 28,<br>2013 | Six Months Ended<br>August 31,<br>2013           | Year Ended<br>February 28,<br>2013 |
| Increase (Decrease) in Net Assets:                   | (Unaudited)                                   | (Unaudited)                        | (Unaudited)                                      | (Unaudited)                        |
| <b>Operations</b>                                    |   |                                    |  |                                    |
| Net investment income                                | \$ 16,809,540                                 | \$ 35,839,559                      | \$ 8,447,574                                     | \$ 18,181,261                      |
| Net realized gain (loss)                             | 6,610,229                                     | (4,693,091)                        | 2,543,430  | 2,997,643                          |
| Net change in unrealized appreciation/depreciation   | (13,562,056)                                  | 32,461,382                         | (6,368,208)                                      | 8,092,166                          |
| Net increase in net assets resulting from operations | 9,857,713                                     | 63,607,850                         | 4,622,796  | 29,271,070                         |
| <b>Dividends to Shareholders From</b>                |   |                                    |  |                                    |
| Net investment income                                | (17,128,251)                                  | (36,132,115) <sup>1</sup>          | (8,417,922)                                      | (18,272,730) <sup>1</sup>          |
| <b>Capital Share Transactions</b>                    |   |                                    |  |                                    |

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|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Reinvestment of dividends                          | 267,690        | 1,653,035      | 149,049        | 809,036        |
| <b>Net Assets</b>                                  |                |                |                |                |
| Total increase (decrease) in net assets            | (7,002,848)    | 29,128,770     | (3,646,077)    | 11,807,376     |
| Beginning of period                                | 474,953,005    | 445,824,235    | 247,123,874    | 235,316,498    |
| End of period                                      | \$ 467,950,157 | \$ 474,953,005 | \$ 243,477,797 | \$ 247,123,874 |
| Undistributed net investment income, end of period | \$ 695,638     | \$ 1,014,349   | \$ 3,122,933   | \$ 3,093,281   |

<sup>1</sup> Dividends are determined in accordance with federal income tax regulations.

See Notes to Consolidated Financial Statements.

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**Table of Contents****Consolidated Statements of Cash Flows (Unaudited)**

|  | <b>BlackRock</b>  | <b>BlackRock</b>      | <b>BlackRock</b>       | <b>BlackRock</b>   |
|--|-------------------|-----------------------|------------------------|--------------------|
|  | <b>Corporate</b>  | <b>Corporate</b>      | <b>Debt Strategies</b> | <b>Senior High</b> |
|  | <b>High Yield</b> | <b>High Yield</b>     | <b>Fund, Inc.</b>      | <b>Income</b>      |
|  | <b>Fund, Inc.</b> | <b>Fund III, Inc.</b> | <b>Fund, Inc.</b>      | <b>Fund, Inc.</b>  |
| <b>Six Months Ended August 31, 2013</b>  | <b>(COY)</b>      | <b>(CYE)</b>          | <b>(DSU)</b>           | <b>(ARK)</b>       |
| <b>Cash Used for Operating Activities</b>  |                   |                       |                        |                    |
| Net increase in net assets resulting from operations   | \$ 6,510,247      | \$ 6,852,835          | \$ 9,857,713           | \$ 4,622,796       |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: |                   |                       |                        |                    |
| Increase in interest receivable  | (659,668)         | (595,332)             | (616,116)              | (207,461)          |
| Decrease in swaps receivable   | 66,909            | 84,099                | 52,586                 | 1,664              |
| Decrease in dividends receivable   | (5,014)           | (8,518)               |                        |                    |
| Increase in income tax refund receivable   |                   |                       | (257)                  |                    |
| Decrease in cash pledged for financial futures contracts   | 156,000           | 172,000               |                        |                    |
| Increase in cash pledged for centrally cleared swaps   |                   |                       | (310,000)              |                    |
| Decrease in cash pledged as collateral for over-the-counter swaps  |                   | 100,000               |                        |                    |
| Decrease in other assets   |                   |                       | 15,083                 |                    |
| Decrease in variation margin receivable on financial futures contracts   | 4,500             | 4,875                 |                        |                    |
| Increase in variation margin receivable on centrally cleared swaps   |                   |                       | (3,062)                |                    |
| Increase in investment advisory fees payable   | 17,355            | 20,189                | 25,538                 | 9,517              |
| Decrease in deferred capital gains tax payable   |                   |                       | (53,428)               |                    |
| Increase (decrease) in interest expense payable  | (32,840)          | 7,975                 | 5,685                  | (2,345)            |
| Increase (decrease) in other accrued expenses payable  | (56,139)          | (59,072)              | (42,510)               | (54,182)           |
| Increase (decrease) in prepaid expenses  | 863               | 6,141                 | (3,847)                | 5,022              |
| Increase in reorganization costs payable   |                   |                       | 175,714                |                    |
| Increase in swaps payable  | (433)             | (422)                 | 3,056                  |                    |
| Increase (decrease) in Officers and Directors fees payable   | 1,812             | 1,978                 | 9,232                  | 1,693              |
| Net periodic and termination payment of swaps  | 402,249           | 269,843               | 125,762                | (48,271)           |
| Net realized and unrealized loss on investments  | 4,231,484         | 5,245,743             | 7,981,357              | 4,033,368          |
| Amortization of premium and accretion of discount on investments and swaps   | (166,452)         | (308,458)             | (539,547)              | 36,437             |
| Premiums received from options written   | 265,802           | 289,600               |                        |                    |
| Premiums paid on closing options written   | (27,540)          | (29,920)              |                        |                    |
| Proceeds from sales of long-term investments   | 136,198,518       | 156,744,923           | 249,906,960            | 121,767,226        |
| Purchases of long-term investments   | (148,535,536)     | (163,141,276)         | (250,364,239)          | (117,458,780)      |
| Net proceeds (payments) on short-term securities   | (1,579,905)       | 141,080               | 7,225,550              | 6,355,393          |
| Cash provided by (used for) operating activities   | (3,207,788)       | 5,798,283             | 23,451,230             | 19,062,077         |
| <b>Cash Provided by Financing Activities</b>   |                   |                       |                        |                    |
| Cash receipts from borrowings  | 75,000,000        | 70,000,000            | 149,000,000            | 72,000,000         |
| Cash payments on borrowings  | (65,000,000)      | (66,000,000)          | (156,000,000)          | (83,000,000)       |
| Cash dividends paid to shareholders  | (10,339,836)      | (11,510,067)          | (16,738,031)           | (8,205,285)        |
| Cash provided by financing activities  | (339,836)         | (7,510,067)           | (23,738,031)           | (19,205,285)       |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>  |                   |                       |                        |                    |
| Cash impact from foreign exchange fluctuations   | (754)             | 137                   | 5,609                  | 3,055              |
| <b>Cash and Foreign Currency</b>   |                   |                       |                        |                    |
| Net increase (decrease) in cash and foreign currency   | (3,548,378)       | (1,711,647)           | (281,192)              | (140,153)          |
| Cash and foreign currency at beginning of period   | 3,696,861         | 1,724,673             | 389,317                | 182,703            |

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|  |    |         |    |        |    |         |    |        |
|--|----|---------|----|--------|----|---------|----|--------|
| Cash and foreign currency at end of period | \$ | 148,483 | \$ | 13,026 | \$ | 108,125 | \$ | 42,550 |
|--|----|---------|----|--------|----|---------|----|--------|

### Cash Flow Information

|  |    |         |    |         |    |         |    |         |
|--|----|---------|----|---------|----|---------|----|---------|
| Cash paid during the period for interest | \$ | 475,966 | \$ | 554,883 | \$ | 946,090 | \$ | 473,540 |
|--|----|---------|----|---------|----|---------|----|---------|

### Non-cash Financing Activities

|  |    |         |    |        |    |         |    |         |
|--|----|---------|----|--------|----|---------|----|---------|
| Capital shares issued in reinvestment of dividends | \$ | 182,526 | \$ | 88,680 | \$ | 267,690 | \$ | 149,049 |
|--|----|---------|----|--------|----|---------|----|---------|

See Notes to Consolidated Financial Statements.

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**Table of Contents****Financial Highlights****BlackRock Corporate High Yield Fund, Inc.  
(COY)**

|  | Six Months Ended<br>August 31,   |  | Year Ended February 28,                            |                     | Year Ended February 28, |                         | Period                | Year Ended          |
|--|----------------------------------|--|--|---------------------|-------------------------|-------------------------|-----------------------|---------------------|
|  | 2013<br>(Unaudited) <sup>1</sup> | Year<br>Ended<br>February 28,<br>2013 <sup>1</sup> | Year<br>Ended<br>February 29,<br>2012 <sup>1</sup> | 2011                | 2010                    | to February 28,<br>2009 | June 1, 2008          | May 31,<br>2008     |
| <b>Per Share Operating Performance</b>   |                                  |  |  |                     |                         |                         |                       |                     |
| Net asset value, beginning of period   | \$ 7.76                          | \$ 7.29  | \$ 7.42  | \$ 6.64             | \$ 4.19                 | \$ 7.74                 | \$ 7.74               | \$ 9.07             |
| Net investment income <sup>2</sup>   | 0.30                             | 0.63   | 0.62   | 0.65                | 0.65                    | 0.50                    | 0.50                  | 0.75                |
| Net realized and unrealized gain (loss)  | (0.12)                           | 0.45   | (0.14)   | 0.74                | 2.53                    | (3.50)                  | (3.50)                | (1.32)              |
| Net increase (decrease) from investment operations   | 0.18                             | 1.08   | 0.48   | 1.39                | 3.18                    | (3.00)                  | (3.00)                | (0.57)              |
| Dividends from net investment income   | (0.30)                           | (0.61) <sup>3</sup>                                | (0.61) <sup>3</sup>                                | (0.61) <sup>3</sup> | (0.73) <sup>3</sup>     | (0.55) <sup>3</sup>     | (0.55) <sup>3</sup>   | (0.76) <sup>3</sup> |
| Net asset value, end of period   | \$ 7.64                          | \$ 7.76  | \$ 7.29  | \$ 7.42             | \$ 6.64                 | \$ 4.19                 | \$ 4.19               | \$ 7.74             |
| Market price, end of period  | \$ 6.89                          | \$ 8.04  | \$ 7.76  | \$ 7.03             | \$ 6.88                 | \$ 3.91                 | \$ 3.91               | \$ 7.28             |
| <b>Total Investment Return<sup>4</sup></b>   |                                  |  |  |                     |                         |                         |                       |                     |
| Based on net asset value   | 2.53% <sup>5</sup>               | 15.53%   | 7.15%  | 22.11%              | 79.91%                  | (38.98)% <sup>5</sup>   | (38.98)% <sup>5</sup> | (5.49)%             |
| Based on market price  | (10.76)% <sup>5</sup>            | 12.44%   | 20.39%   | 11.66%              | 99.76%                  | (39.46)% <sup>5</sup>   | (39.46)% <sup>5</sup> | (4.81)%             |
| <b>Ratios to Average Net Assets</b>  |                                  |  |  |                     |                         |                         |                       |                     |
| Total expenses   | 1.41% <sup>6,7</sup>             | 1.25%  | 1.15%  | 1.18%               | 1.18%                   | 2.29% <sup>6</sup>      | 2.29% <sup>6</sup>    | 2.33%               |
| Total expenses after fees waived and/or reimbursed and paid indirectly   | 1.14% <sup>6,7</sup>             | 1.25%  | 1.15%  | 1.18%               | 1.18%                   | 2.29% <sup>6</sup>      | 2.29% <sup>6</sup>    | 2.33%               |
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense and income tax | 0.82% <sup>6,7</sup>             | 0.92% <sup>8</sup>                                 | 0.90%  | 0.89%               | 0.92%                   | 1.17% <sup>6</sup>      | 1.17% <sup>6</sup>    | 0.83%               |
| Net investment income  | 7.71% <sup>6</sup>               | 8.48%  | 8.67%  | 9.28%               | 11.36%                  | 11.45% <sup>6</sup>     | 11.45% <sup>6</sup>   | 9.15%               |
| <b>Supplemental Data</b>   |                                  |  |  |                     |                         |                         |                       |                     |
| Net assets, end of period (000)  | \$ 267,698                       | \$ 271,617   | \$ 254,176   | \$ 257,909          | \$ 230,593              | \$ 144,800              | \$ 144,800            | \$ 267,698          |
| Borrowings outstanding, end of period (000)  | \$ 108,000                       | \$ 98,000  | \$ 67,000  | \$ 63,000           | \$ 72,000               | \$ 38,700               | \$ 38,700             | \$ 64,700           |
| Average borrowings outstanding, during the period (000)  | \$ 101,310                       | \$ 91,655  | \$ 63,281  | \$ 55,304           | \$ 42,184               | \$ 59,553               | \$ 59,553             | \$ 81,598           |
| Portfolio turnover   | 36%                              | 74%  | 71%  | 83%                 | 85%                     | 37%                     | 37%                   | 38%                 |

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Asset coverage, end of period per \$1,000 \$ 3,479 \$ 3,772 \$ 4,794 \$ 5,094 \$ 4,203 \$ 4,742 \$ 5,138

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Dividends are determined in accordance with federal income tax regulations.

<sup>4</sup> 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. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.

<sup>5</sup> Aggregate total investment return.

<sup>6</sup> Annualized.

<sup>7</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and paid indirectly, and total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense and income tax would have been 1.14%, 1.14% and 0.82%, respectively.

<sup>8</sup> For the year ended February 28, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 0.86%.

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**Table of Contents****Financial Highlights****BlackRock Corporate High Yield Fund III, Inc.  
(CYE)**

|  | Six Months Ended<br>August 31,   |                                   | Year Ended February 28,           |                     | Year Ended February 28, |                         | Period              | Year Ended      |
|--|----------------------------------|-----------------------------------|-----------------------------------|---------------------|-------------------------|-------------------------|---------------------|-----------------|
|  | 2013<br>(Unaudited) <sup>1</sup> | February 28,<br>2013 <sup>1</sup> | February 29,<br>2012 <sup>1</sup> | 2011                | 2010                    | to February 28,<br>2009 | June 1, 2008        | May 31,<br>2008 |
| <b>Per Share Operating Performance</b>   |                                  |                                   |                                   |                     |                         |                         |                     |                 |
| Net asset value, beginning of period   | \$ 7.88                          | \$ 7.41                           | \$ 7.56                           | \$ 6.69             | \$ 4.05                 | \$ 7.62                 | \$ 8.99             |                 |
| Net investment income <sup>2</sup>   | 0.31                             | 0.64                              | 0.63                              | 0.65                | 0.64                    | 0.50                    | 0.73                |                 |
| Net realized and unrealized gain (loss)  | (0.12)                           | 0.50                              | (0.15)                            | 0.83                | 2.68                    | (3.51)                  | (1.33)              |                 |
| Net increase (decrease) from investment operations   | 0.19                             | 1.14                              | 0.48                              | 1.48                | 3.32                    | (3.01)                  | (0.60)              |                 |
| Dividends from net investment income   | (0.31)                           | (0.67) <sup>3</sup>               | (0.63) <sup>3</sup>               | (0.61) <sup>3</sup> | (0.68) <sup>3</sup>     | (0.56) <sup>3</sup>     | (0.77) <sup>3</sup> |                 |
| Net asset value, end of period   | \$ 7.76                          | \$ 7.88                           | \$ 7.41                           | \$ 7.56             | \$ 6.69                 | \$ 4.05                 | \$ 7.62             |                 |
| Market price, end of period  | \$ 6.97                          | \$ 7.89                           | \$ 7.75                           | \$ 7.14             | \$ 6.67                 | \$ 3.57                 | \$ 7.03             |                 |
| <b>Total Investment Return<sup>4</sup></b>   |                                  |                                   |                                   |                     |                         |                         |                     |                 |
| Based on net asset value   | 2.61% <sup>5</sup>               | 16.16%                            | 7.11%                             | 23.50%              | 86.65%                  | (39.69)% <sup>5</sup>   | (5.69)%             |                 |
| Based on market price  | (7.95)% <sup>5</sup>             | 11.20%                            | 18.62%                            | 16.99%              | 111.12%                 | (42.38)% <sup>5</sup>   | (8.30)%             |                 |
| <b>Ratios to Average Net Assets</b>  |                                  |                                   |                                   |                     |                         |                         |                     |                 |
| Total expenses   | 1.60% <sup>6,7</sup>             | 1.42%                             | 1.38%                             | 1.37%               | 1.34%                   | 2.45% <sup>6</sup>      | 2.47%               |                 |
| Total expenses after fees waived and/or reimbursed and paid indirectly   | 1.36% <sup>6,7</sup>             | 1.42%                             | 1.38%                             | 1.37%               | 1.33%                   | 2.45% <sup>6</sup>      | 2.47%               |                 |
| Total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense and income tax | 0.99% <sup>6,7</sup>             | 1.06% <sup>8</sup>                | 1.08%                             | 1.03%               | 1.04%                   | 1.29% <sup>6</sup>      | 0.96%               |                 |
| Net investment income  | 7.64% <sup>6</sup>               | 8.54%                             | 8.76%                             | 9.15%               | 11.35%                  | 11.80% <sup>6</sup>     | 9.01%               |                 |
| <b>Supplemental Data</b>   |                                  |                                   |                                   |                     |                         |                         |                     |                 |
| Net assets, end of period (000)  | \$ 291,271                       | \$ 296,008                        | \$ 277,187                        | \$ 282,259          | \$ 249,721              | \$ 151,261              | \$ 284,361          |                 |
| Borrowings outstanding, end of period (000)  | \$ 121,000                       | \$ 117,000                        | \$ 86,000                         | \$ 91,000           | \$ 76,000               | \$ 44,200               | \$ 71,700           |                 |
| Average borrowings outstanding, during the period (000)  | \$ 117,011                       | \$                                | \$ 83,997                         | \$ 69,937           | \$ 49,196               | \$ 65,500               | \$ 88,466           |                 |
| Portfolio turnover   | 36%                              | 74%                               | 70%                               | 89%                 | 89%                     | 37%                     | 38%                 |                 |
| Asset coverage, end of period per \$1,000  | \$ 3,407                         | \$ 3,530                          | \$ 4,223                          | \$ 4,102            | \$ 4,286                | \$ 4,422                | \$ 4,966            |                 |

- <sup>1</sup> Consolidated Financial Highlights.
- <sup>2</sup> Based on average shares outstanding.
- <sup>3</sup> Dividends are determined in accordance with federal income tax regulations.
- <sup>4</sup> 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. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.
- <sup>5</sup> Aggregate total investment return.
- <sup>6</sup> Annualized.
- <sup>7</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and paid indirectly, and total expenses after fees waived and/or reimbursed and paid indirectly and excluding interest expense and income tax would have been 1.36%, 1.36% and 0.99%, respectively.
- <sup>8</sup> For the year ended February 28, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 1.00%.

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**Table of Contents****Financial Highlights****BlackRock Debt Strategies Fund, Inc. (DSU)**

|  | Six Months Ended<br>August 31,<br>2013<br>(Unaudited) <sup>1</sup> | Year<br>Ended<br>February 28,<br>2013 <sup>1</sup> | Year<br>Ended<br>February 29,<br>2012 <sup>1</sup> | Year Ended February 28, |                     |                     |
|--|--|--|--|-------------------------|---------------------|---------------------|
|  |  |  |  | 2011                    | 2010                | 2009                |
| <b>Per Share Operating Performance</b>   |  |  |  |                         |                     |                     |
| Net asset value, beginning of period   | \$ 4.38  | \$ 4.13  | \$ 4.28  | \$ 3.89                 | \$ 2.35             | \$ 5.57             |
| Net investment income <sup>2</sup>   | 0.16   | 0.33   | 0.33   | 0.33                    | 0.39                | 0.52                |
| Net realized and unrealized gain (loss)  | (0.06)   | 0.25   | (0.16)   | 0.40                    | 1.55                | (3.12)              |
| Net increase (decrease) from investment operations                             | 0.10   | 0.58   | 0.17   | 0.73                    | 1.94                | (2.60)              |
| Dividends and distributions from:  |  |  |  |                         |                     |                     |
| Net investment income  | (0.16) <sup>3</sup>  | (0.33) <sup>4</sup>                                | (0.32) <sup>4</sup>                                | (0.33) <sup>4</sup>     | (0.39) <sup>4</sup> | (0.62) <sup>4</sup> |
| Tax return of capital  |  |  |  | (0.01) <sup>4</sup>     | (0.01) <sup>4</sup> |                     |
| Total dividends and distributions  | (0.16)   | (0.33)   | (0.32)   | (0.34)                  | (0.40)              | (0.62)              |
| Net asset value, end of period   | \$ 4.32  | \$ 4.38  | \$ 4.13  | \$ 4.28                 | \$ 3.89             | \$ 2.35             |
| Market price, end of period  | \$ 3.94  | \$ 4.46  | \$ 4.13  | \$ 4.05                 | \$ 3.91             | \$ 2.07             |
| <b>Total Investment Return<sup>5</sup></b>                                     |  |  |  |                         |                     |                     |
| Based on net asset value   | 2.37% <sup>6</sup>   | 14.78%   | 4.53%  | 19.92%                  | 87.82%              | (50.19)%            |
| Based on market price  | (8.31)% <sup>6</sup>   | 16.87%   | 10.47%   | 12.90%                  | 114.32%             | (54.99)%            |
| <b>Ratios to Average Net Assets</b>  |  |  |  |                         |                     |                     |
| Total expenses   | 1.45% <sup>7,8</sup>   | 1.41%  | 1.44% <sup>10</sup>                                | 1.27%                   | 1.23%               | 2.42%               |
| Total expenses after fees waived   | 1.45% <sup>7,8</sup>   | 1.41%  | 1.44% <sup>10</sup>                                | 1.27%                   | 1.23%               | 2.42%               |
| Total expenses after fees waived and excluding interest expense and income tax | 1.05% <sup>7,8</sup>   | 1.04% <sup>9</sup>                                 | 1.06% <sup>9</sup>                                 | 1.02%                   | 1.02%               | 1.20%               |
| Net investment income  | 7.00% <sup>7</sup>   | 7.89%  | 7.99% <sup>10</sup>                                | 8.22%                   | 12.16%              | 11.79%              |
| <b>Supplemental Data</b>   |  |  |  |                         |                     |                     |
| Net assets, end of period (000)  | \$ 467,950   | \$ 474,953   | \$ 445,824   | \$ 461,247              | \$ 419,222          | \$ 252,080          |
| Borrowings outstanding, end of period (000)                                    | \$ 183,000   | \$ 19,000  | \$ 145,000   | \$ 117,000              | \$ 67,000           | \$ 90,000           |
| Average borrowings outstanding, during the period (000)                        | \$ 197,125   | \$ 177,975   | \$ 142,596   | \$ 89,362               | \$ 58,574           | \$ 163,286          |
| Portfolio turnover   | 31%  | 72%  | 59%  | 81%                     | 86%                 | 44%                 |
| Asset coverage, end of period per \$1,000                                      | \$ 3,557   | \$ 3,500   | \$ 4,075   | \$ 4,942                | \$ 7,257            | \$ 3,801            |

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- <sup>1</sup> Consolidated Financial Highlights.
- <sup>2</sup> Based on average shares outstanding.
- <sup>3</sup> A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.
- <sup>4</sup> Dividends and distributions are determined in accordance with federal income tax regulations.
- <sup>5</sup> 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. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.
- <sup>6</sup> Aggregate total investment return.
- <sup>7</sup> Annualized.
- <sup>8</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived, and total expenses after fees waived and excluding interest expense and income tax would have been 1.38%, 1.38% and 0.97%, respectively.
- <sup>9</sup> For the years ended February 28, 2013 and February 29, 2012 the total expense ratio after fees waived and excluding interest expense, borrowing costs and income tax were 0.98% and 0.95%, respectively.
- <sup>10</sup> Restated to include income taxes for the consolidated entity.

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**Table of Contents****Financial Highlights****BlackRock Senior High Income Fund, Inc.  
(ARK)**

|  | <b>Six Months Ended<br/>August 31,<br/>2013<br/>(Unaudited)<sup>1</sup></b> | <b>Year<br/>Ended<br/>February 28,<br/>2013<sup>1</sup></b> | <b>Year<br/>Ended<br/>February 29,<br/>2012<sup>1</sup></b> | <b>Year Ended February 28,</b> |                     |                     |
|--|---|---|---|--------------------------------|---------------------|---------------------|
|  |   |   |   | <b>2011</b>                    | <b>2010</b>         | <b>2009</b>         |
| <b>Per Share Operating Performance</b>   |   |   |   |                                |                     |                     |
| Net asset value, beginning of period   | \$ 4.35   | \$ 4.15   | \$ 4.22   | \$ 3.91                        | \$ 2.54             | \$ 5.04             |
| Net investment income <sup>2</sup>   | 0.15  | 0.32  | 0.32  | 0.32                           | 0.36                | 0.41                |
| Net realized and unrealized gain (loss)  | (0.07)  | 0.20  | (0.06)  | 0.32                           | 1.31                | (2.43)              |
| Net increase (decrease) from investment operations   | 0.08  | 0.52  | 0.26  | 0.64                           | 1.67                | (2.02)              |
| Dividends and distributions from:  |   |   |   |                                |                     |                     |
| Net investment income  | (0.15) <sup>3</sup>   | (0.32) <sup>4</sup>   | (0.33) <sup>4</sup>   | (0.33) <sup>4</sup>            | (0.30) <sup>4</sup> | (0.43) <sup>4</sup> |
| Tax return of capital  |   |   |   |                                |                     | (0.05) <sup>4</sup> |
| Total dividends and distributions  | (0.15)  | (0.32)  | (0.33)  | (0.33)                         | (0.30)              | (0.48)              |
| Net asset value, end of period   | \$ 4.28   | \$ 4.35   | \$ 4.15   | \$ 4.22                        | \$ 3.91             | \$ 2.54             |
| Market price, end of period  | \$ 3.90   | \$ 4.34   | \$ 4.06   | \$ 4.18                        | \$ 3.94             | \$ 2.21             |
| <b>Total Investment Return<sup>5</sup></b>   |   |   |   |                                |                     |                     |
| Based on net asset value   | 1.91% <sup>6</sup>  | 13.08%  | 6.86%   | 17.13%                         | 68.90%              | (42.15)%            |
| Based on market price  | (6.93)% <sup>6</sup>  | 15.32%  | 5.54%   | 15.13%                         | 95.61%              | (48.33)%            |
| <b>Ratios to Average Net Assets</b>  |   |   |   |                                |                     |                     |
| Total expenses   | 1.61% <sup>7,8</sup>  | 1.27%   | 1.25% <sup>10</sup>   | 1.13%                          | 1.13%               | 2.24%               |
| Total expenses after fees waived and/or reimbursed   | 1.23% <sup>7,8</sup>  | 1.27%   | 1.25% <sup>10</sup>   | 1.13%                          | 1.13%               | 2.24%               |
| Total expenses after fees waived and/or reimbursed and excluding interest expense and income tax | 0.85% <sup>7,8</sup>  | 0.94% <sup>9</sup>  | 0.94% <sup>9</sup>  | 0.90%                          | 0.93%               | 1.05%               |
| Net investment income  | 6.77% <sup>7</sup>  | 7.60%   | 7.80% <sup>10</sup>   | 7.83%                          | 10.70%              | 9.96%               |
| <b>Supplemental Data</b>   |   |   |   |                                |                     |                     |
| Net assets, end of period (000)  | \$ 243,478  | \$ 247,124  | \$ 235,316  | \$ 238,760                     | \$ 221,173          | \$ 143,643          |
| Borrowings outstanding, end of period (000)  | \$ 87,000   | \$ 98,000   | \$ 69,000   | \$ 50,000                      | \$ 43,000           | \$ 47,000           |
| Average borrowings outstanding, during the period (000)  | \$ 97,989   | \$ 85,071   | \$ 66,806   | \$ 41,405                      | \$ 29,978           | \$ 79,422           |
| Portfolio turnover   | 28%   | 68%   | 60%   | 83%                            | 80%                 | 49%                 |
| Asset coverage, end of period per \$1,000  | \$ 3,799  | \$ 3,522  | \$ 4,410  | \$ 5,775                       | \$ 6,144            | \$ 4,056            |

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- <sup>1</sup> Consolidated Financial Highlights.
- <sup>2</sup> Based on average shares outstanding.
- <sup>3</sup> A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.
- <sup>4</sup> Dividends and distributions are determined in accordance with federal income tax regulations.
- <sup>5</sup> 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. Where applicable, total investment returns exclude the effects of any sales charges and assume the reinvestment of dividends and distributions.
- <sup>6</sup> Aggregate total investment return.
- <sup>7</sup> Annualized.
- <sup>8</sup> Includes reorganization costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed, and total expenses after fees waived and/or reimbursed and excluding interest expense and income tax would have been 1.23%, 1.23% and 0.85%, respectively.
- <sup>9</sup> For the years ended February 28, 2013 and February 29, 2012, the total expense ratio after fees waived and excluding interest expense, borrowing costs and income tax were 0.87% and 0.83%, respectively.
- <sup>10</sup> Restated to include income taxes for the consolidated entity.

See Notes to Consolidated Financial Statements.

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**Table of Contents****Notes to Consolidated Financial Statements****1. Organization:**

BlackRock Corporate High Yield Fund, Inc. ( COY ), BlackRock Corporate High Yield Fund III, Inc. ( CYE ) and BlackRock Debt Strategies Fund, Inc. ( DSU ) are registered under the 1940 Act, as diversified, closed-end management investment companies. BlackRock Senior High Income Fund, Inc. ( ARK ) is registered under the 1940 Act, as a non-diversified, closed-end management investment company. COY, CYE, DSU and ARK are referred to collectively as the Funds or individually as a Fund . The Funds are organized as Maryland corporations. The Boards of Directors of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the NAVs of their Common Shares on a daily basis.

Reorganizations: On June 5, 2013, the Board of COY and CYE approved the reorganization of COY and CYE with BlackRock Corporate High Yield Fund VI, Inc. ( HYT ), with HYT continuing as the surviving fund after the reorganizations. It is currently expected that the reorganizations will be completed in late 2013. Reorganization costs incurred by COY, CYE and HYT in connection with the reorganization were expensed. BlackRock Advisors, LLC (the Manager ) reimbursed COY and CYE \$375,000 and \$355,000, respectively, which is shown as reorganization costs reimbursed by Manager in the Statements of Operations.

On July 19, 2013, the Board of DSU and the Boards of ARK and BlackRock Strategic Bond Trust ( BHD ) approved the reorganization of DSU with ARK and BHD separately, with DSU continuing as the surviving fund after the reorganizations. It is currently expected that the reorganizations will be completed in late 2013. Reorganization costs incurred by DSU and ARK in connection with the reorganization were expensed. The Manager reimbursed ARK \$470,000, which is shown as reorganization costs reimbursed by Manager in the Statements of Operations.

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of BLK COY (Luxembourg) Investments, S.a.r.l. and BLK CYE (Luxembourg) Investments, S.a.r.l. (the Luxembourg Subsidiaries ) and DSU Subsidiary, LLC and ARK Subsidiary, LLC (the US Subsidiaries ), all of which are wholly owned subsidiaries of each respective Fund (the Subsidiaries ). The US Subsidiaries enable the Funds to hold investments in operating companies and satisfy regulated investment company ( RIC ) tax requirements. Income earned and gains realized on the investments held by the US Subsidiaries are taxable to such subsidiaries. The Luxembourg Subsidiaries hold shares of private Canadian companies. These shares are held in the Luxembourg Subsidiaries in order to realize benefits under the Double Tax Avoidance Convention between Canada and Luxembourg, the result of which is gains on the sale of such shares will not be subject to capital gains taxes in Canada. Income earned on the investments held by the Subsidiaries may be taxable to such subsidiaries in Luxembourg. A tax provision for income, if any, is shown as income tax in the Consolidated Statements of Operations. A tax provision for realized and unrealized gains, if any, is included as reduction of realized and/or unrealized gain (loss) in the Consolidated Statements of Operations. Each Fund may invest up to 25% of its total assets in the US Subsidiary/Subsidiaries. Intercompany accounts and transactions have been eliminated. Both the US and Luxembourg Subsidiaries are subject to the same investment policies and restrictions that apply to the Funds.

**2. Significant Accounting Policies:**

The Funds consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Funds:

Valuation: US GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair values of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee ) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Funds for all financial instruments.

The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the

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market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. Swap agreements are valued utilizing quotes received daily by the Funds' pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Stock Market ( NASDAQ ) are valued at the last reported sale

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price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange ( NYSE ). Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter ( OTC ) options and swaptions are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deem relevant consistent with the principles of fair value measurement which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence each Fund's pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of each Fund's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to affect the value of such instruments materially, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee using, or its delegate, using a pricing service and/or policies approved by the Board.

Foreign Currency: The Funds' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Funds' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ( SEC ) require that each Fund either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts, options written or swaps), or certain borrowings (e.g., loan payable), each Fund will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, a fund engaging in such transactions may have requirements to deliver/deposit securities to/with an exchange or broker-dealer as collateral for certain investments.

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Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The portion of distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Distributions in excess of a Fund's taxable income and net capital gains, but not in

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Notes to Consolidated Financial Statements (continued)

excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

**Income Taxes:** It is the Funds' policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to RICs and to distribute substantially all of their taxable income to their shareholders. Therefore, no federal income tax provision is required, except with respect to any taxes related to the Subsidiaries.

The Funds file US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund's US federal tax returns remains open for each of the four years ended February 28, 2013. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan) approved by each Fund's Board, the independent Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors. This has the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Deferred compensation liabilities are included in officer's and directors' fees payable in the Consolidated Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

**Other:** Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Funds have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Consolidated Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

**3. Securities and Other Investments:**

**Asset-Backed and Mortgage-Backed Securities:** The Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. In addition, the Funds may have to subsequently reinvest the proceeds at lower interest rates. If the Funds have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

**Zero-Coupon Bonds:** The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts:** The Funds may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation will pay

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interest to the trust, which will then be distributed to holders of the trust preferred securities as a dividend. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities and are freely callable at the issuer's option.

**Preferred Stock:** The Funds may invest in preferred stock. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

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**Floating Rate Loan Interests:** The Funds may invest in floating rate loan interests. The floating rate loan interests the Funds hold are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Funds may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate (LIBOR), the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

When the Fund purchases a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Funds may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Funds upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Funds may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Funds may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds' investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Funds may be treated as general creditors of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Funds having a direct contractual relationship with the borrower, and the Funds may enforce compliance by the borrower with the terms of the loan agreement.

In connection with floating rate loan interests, the Funds may also enter into unfunded floating rate loan interests (commitments). In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Consolidated Statements of Operations, is recognized ratably over the commitment period. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Consolidated Statements of Assets and Liabilities and Consolidated Statements of Operations. As of August 31, 2013, the Funds had the following unfunded floating rate loan interests:

|     | <b>Borrower</b>         | <b>Unfunded<br/>Floating Rate<br/>Loan Interest</b> | <b>Value of<br/>Underlying<br/>Floating Rate<br/>Loan Interest</b> | <b>Unrealized<br/>Appreciation<br/>(Depreciation)</b> |
|-----|-------------------------|---|--|---|
| COY | Media General, Inc.     | \$ 625,000  | \$ 626,156   | \$ 7,406  |
| CYE | Media General, Inc.     | \$ 680,000  | \$ 681,258   | \$ 8,058  |
| DSU | Media General, Inc.     | \$ 760,000  | \$ 761,406   | \$ 8,974  |
|     | Power Team Services LLC | \$ 45,000   | \$ 44,494  | \$ (288)  |
| ARK | Media General, Inc.     | \$ 400,000  | \$ 400,740   | \$ 4,723  |
|     | Power Team Services LLC | \$ 23,333   | \$ 23,071  | \$ (149)  |

**4. Derivative Financial Instruments:**

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge their exposure to certain risks such as credit risk, equity risk, interest rate risk or foreign currency exchange rate risk. These

contracts may be transacted on an exchange or OTC.

Financial Futures Contracts: The Funds purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk) and changes in the value of equity securities (equity risk). Financial futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Upon entering into a financial futures contract, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Consolidated Schedules of Investments and cash deposited is recorded on the Consolidated Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Funds agree 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. Variation margin is recorded by the Funds as unrealized appreciation or depreciation, and if applicable, as a receivable or payable for variation margin in the Consolidated Statements of Assets and Liabilities. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value



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at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

**Foreign Currency Exchange Contracts:** The Funds enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Fund, help to manage the overall exposure to the currencies in which some of the investments held by the Fund are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

**Options:** The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments including equity risk and/or credit risk and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Funds purchase (write) an option, an amount equal to the premium paid (received) by the Funds is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument 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 instrument acquired or deducted from (or added to) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Funds write a call option, such option is covered, meaning that the Funds hold the underlying instrument subject to being called by the option counterparty. When the Funds write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, the Funds bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Funds may not be able to enter into a closing transaction due to an illiquid market. Exercise of written option could result in the Funds purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

**Swaps:** The Funds enter into swap agreements, in which the Fund and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract ( OTC swaps ) or centrally cleared ( centrally cleared swaps ). Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

For OTC swaps, any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Consolidated Statements of Assets and Liabilities and amortized over the term of the OTC swap. Payments received or made by the Funds for OTC swaps are recorded in the Consolidated Statements of Operations as realized gains or losses, respectively. When an OTC swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP ) and the Fund faces the CCP through a broker. Upon entering into a centrally cleared swap, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated on the Consolidated Schedules of Investments and cash deposited is recorded on the Consolidated Statements of Assets and Liabilities as cash pledged for centrally cleared swaps. The daily change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Consolidated Statements of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gain (loss) in the Consolidated Statements of Operations.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Consolidated Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the

agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

**Credit default swaps** The Funds enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Funds may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure

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## Notes to Consolidated Financial Statements (continued)

to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occur. As a buyer, if an underlying credit event occurs, the Funds will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Funds will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

The following is a summary of the Funds' derivative financial instruments categorized by risk exposure:

**Fair Values of Derivative Financial Instruments as of August 31, 2013**

|   |  | <b>Derivative Assets</b> |                     |                   |               |
|---|--|--------------------------|---------------------|-------------------|---------------|
|   |  | <b>COY</b>               | <b>CYE</b>          | <b>DSU</b>        | <b>ARK</b>    |
| <b>Consolidated Statements of Assets and Liabilities Location</b> |  | <b>Value</b>             |                     |                   |               |
| Interest rate contracts   | Net unrealized appreciation/depreciation <sup>1</sup>  | \$ 4,414                 | \$ 4,708            |                   |               |
| Foreign currency exchange contracts                               | Unrealized appreciation on foreign currency exchange contracts   | 407,908                  | 436,192             | \$ 352,390        | \$ 753        |
| Credit contracts  | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized appreciation on swaps; Swap premiums paid | 596,919                  | 616,462             | 119,751           |               |
| Equity contracts  | Investments at value unaffiliated  | 1,213,665                | 1,322,693           |                   |               |
| <b>Total</b>  |  | <b>\$ 2,222,906</b>      | <b>\$ 2,380,055</b> | <b>\$ 472,141</b> | <b>\$ 753</b> |

|   |  | <b>Derivative Liabilities</b> |                       |                       |            |
|---|--|-------------------------------|-----------------------|-----------------------|------------|
|   |  | <b>COY</b>                    | <b>CYE</b>            | <b>DSU</b>            | <b>ARK</b> |
| <b>Consolidated Statements of Assets and Liabilities Location</b> |  | <b>Value</b>                  |                       |                       |            |
| Interest rate contracts   | Net unrealized appreciation/depreciation <sup>1</sup>                  | \$ (1,438)                    | \$ (1,580)            |                       |            |
| Foreign currency exchange contracts                               | Unrealized depreciation on foreign currency exchange contracts         | (242,208)                     | (262,631)             | \$ (193,655)          |            |
| Credit contracts  | Unrealized depreciation on swaps <sup>1</sup> ; Swap premiums received | (1,174,213)                   | (1,097,596)           | (1,096,639)           |            |
| Equity contracts  | Options written at value   | (280,700)                     | (305,850)             |                       |            |
| <b>Total</b>  |  | <b>\$ (1,698,559)</b>         | <b>\$ (1,667,657)</b> | <b>\$ (1,290,294)</b> |            |

<sup>1</sup> Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps, if any, as reported in the Consolidated Schedules of Investments. Only current day's variation margin is reported within the Consolidated Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Consolidated Schedules of Investments.

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## Notes to Consolidated Financial Statements (continued)

**The Effect of Derivative Financial Instruments in the Consolidated Statements of Operations**  
**Six Months Ended August 31, 2013**

|                                      | Net Realized Gain (Loss) From |                   |                   |                  |
|--------------------------------------|-------------------------------|-------------------|-------------------|------------------|
|                                      | COY                           | CYE               | DSU               | ARK              |
| Interest rate contracts:             |                               |                   |                   |                  |
| Financial futures contracts          | \$ (7,099)                    | \$ (8,550)        |                   |                  |
| Foreign currency exchange contracts: |                               |                   |                   |                  |
| Foreign currency transactions        | 515,444                       | 608,121           | \$ 434,677        | \$ 22,163        |
| Credit contracts:                    |                               |                   |                   |                  |
| Options <sup>1</sup>                 | 70,875                        | 77,000            |                   |                  |
| Swaps                                | 452,343                       | 455,583           | 307,831           | 5,065            |
| Equity contracts:                    |                               |                   |                   |                  |
| Financial futures contracts          | (608,842)                     | (656,206)         |                   |                  |
| Options <sup>1</sup>                 | 128,740                       | 140,297           |                   |                  |
| <b>Total</b>                         | <b>\$ 551,461</b>             | <b>\$ 616,245</b> | <b>\$ 742,508</b> | <b>\$ 27,228</b> |

|                                      | Net Change in Unrealized Appreciation/Depreciation on |                       |                       |                    |
|--------------------------------------|---|-----------------------|-----------------------|--------------------|
|                                      | COY   | CYE                   | DSU                   | ARK                |
| Interest rate contracts:             |   |                       |                       |                    |
| Financial futures contracts          | \$ 2,976  | \$ 3,128              |                       |                    |
| Foreign currency exchange contracts: |   |                       |                       |                    |
| Foreign currency translations        | (778,463)   | (848,450)             | \$ (769,388)          | \$ (19,451)        |
| Credit contracts:                    |   |                       |                       |                    |
| Options <sup>1</sup>                 | (47,860)  | (51,996)              |                       |                    |
| Swaps                                | (356,389)   | (385,674)             | (259,170)             | 1,286              |
| Equity contracts:                    |   |                       |                       |                    |
| Financial futures contracts          | 59,470  | 63,559                |                       |                    |
| Options <sup>1</sup>                 | 157,465   | 171,792               |                       |                    |
| <b>Total</b>                         | <b>\$ (962,801)</b>                                   | <b>\$ (1,047,641)</b> | <b>\$ (1,028,558)</b> | <b>\$ (18,165)</b> |

<sup>1</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the six months ended August 31, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | COY           | CYE           | DSU           | ARK                     |
|--|---------------|---------------|---------------|-------------------------|
| Financial futures contracts:                         |               |               |               |                         |
| Average number of contracts sold                     | 31            | 33            |               |                         |
| Average notional value of contracts sold             | \$ 4,246,633  | \$ 4,600,469  |               |                         |
| Foreign currency exchange contracts:                 |               |               |               |                         |
| Average number of contracts US dollars purchased     | 13            | 12            | 10            | 1                       |
| Average number of contracts US dollars sold          | 2             | 2             | 1             | 2 <sup>2</sup>          |
| Average US dollar amounts purchased                  | \$ 34,707,149 | \$ 37,178,767 | \$ 30,330,813 | \$ 97,972               |
| Average US dollar amounts sold                       | \$ 426,589    | \$ 735,803    | \$ 695,499    | \$ 372,666 <sup>2</sup> |
| Options:   |               |               |               |                         |
| Average number of option contracts purchased         | 1,806         | 1,968         |               |                         |
| Average number of option contracts written           | 1,105         | 1,203         |               |                         |
| Average notional value of option contracts purchased | \$ 30,785,212 | \$ 33,584,634 |               |                         |
| Average notional value of option contracts written   | \$ 17,238,000 | \$ 18,759,000 |               |                         |
| Average number of swaption contracts written         | 1             | 1             |               |                         |
| Average notional value of swaption contracts written | \$ 4,050,000  | \$ 4,400,000  |               |                         |
| Credit default swaps:                                |               |               |               |                         |
| Average number of contracts buy protection           | 2             | 2             | 1             |                         |

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|                             |                 |              |              |              |
|-----------------------------|-----------------|--------------|--------------|--------------|
| Average number of contracts | sell protection | 27           | 23           | 13           |
| Average notional value      | buy protection  | \$ 91,403    | \$ 100,442   | \$ 2,750,000 |
| Average notional value      | sell protection | \$ 7,867,963 | \$ 7,507,772 | \$ 3,924,909 |

<sup>2</sup> Actual contract amount shown due to limited activity.

**Counterparty Credit Risk:** A derivative contract may suffer a mark to market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Fund. For OTC options purchased, each Fund bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Fund should the counterparty fail to perform under the contracts. Options written by the Funds do not typically give rise to counterparty credit risk, as options written generally obligate the Funds, and not the counterparty, to perform.

With exchange traded purchased options and futures and centrally cleared swaps, there is less counterparty credit risk to the Funds since the exchange or clearinghouse, as counterparty to such instruments,

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## Notes to Consolidated Financial Statements (continued)

guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Funds.

In order to better define their contractual rights and to secure rights that will help the Funds mitigate their counterparty risk, the Funds may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ( ISDA Master Agreement ) or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between each Fund and a counterparty that governs OTC derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, each Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, that bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Funds' net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Funds and the counterparty.

Cash collateral that has been pledged to cover obligations of the Funds and cash collateral received from the counterparty, if any, is reported separately on the Consolidated Statements of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Funds, if any, is noted in the Consolidated Schedules of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g. \$500,000) before a transfer is required which is determined at the close of business of the Funds and any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the Fund and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. Each Fund attempts to mitigate counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

For financial reporting purposes, the Funds do not offset derivative assets and derivative liabilities that are subject to netting agreements in the Consolidated Statements of Assets and Liabilities. At August 31, 2013, the Funds' derivative assets and liabilities (by type) are as follows:

| COY  | Assets      | Liabilities |
|--|-------------|-------------|
| Derivative Financial Instruments:  |             |             |
| Financial futures contracts  | \$ 1,250    |             |
| Foreign currency exchange contracts  | 407,908     | \$ 242,208  |
| Swaps  | 596,919     | 1,174,213   |
| Options  | 1,213,665   | 280,700     |
| Total derivative assets and liabilities in the Consolidated Statements of Assets and Liabilities | 2,219,742   | 1,697,121   |
| Derivatives not subject to a master netting agreement or similar agreement ( MNA )               | (1,564,847) | (281,036)   |

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Total assets and liabilities subject to a MNA \$ 654,895 \$ 1,416,085

| <b>CYE</b>   |               |                    |
|--|---------------|--------------------|
|  | <b>Assets</b> | <b>Liabilities</b> |
| <b>Derivative Financial Instruments:</b>   |               |                    |
| Financial futures contracts  | \$ 1,375      |                    |
| Foreign currency exchange contracts  | 436,192       | \$ 262,631         |
| Swaps  | 616,462       | 1,097,596          |
| Options  | 1,322,693     | 305,850            |
| Total derivative assets and liabilities in the Consolidated Statements of Assets and Liabilities | 2,376,722     | 1,666,077          |
| Derivatives not subject to a MNA   | (1,683,879)   | (306,167)          |
| Total assets and liabilities subject to a MNA  | \$ 692,843    | \$ 1,359,910       |

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## Notes to Consolidated Financial Statements (continued)

| <b>DSU</b>   | <b>Assets</b> | <b>Liabilities</b> |
|--|---------------|--------------------|
| Derivative Financial Instruments:  |               |                    |
| Foreign currency exchange contracts  | \$ 352,390    | \$ 193,655         |
| Swaps  | 60,137        | 1,096,639          |
| Total derivative assets and liabilities in the Consolidated Statements of Assets and Liabilities | 412,527       | 1,290,294          |
| Derivatives not subject to a MNA   | (322,067)     | (4,218)            |
| Total assets and liabilities subject to a MNA  | \$ 90,460     | \$ 1,286,076       |

| <b>ARK</b>   | <b>Assets</b> | <b>Liabilities</b> |
|--|---------------|--------------------|
| Derivative Financial Instruments:  |               |                    |
| Foreign currency exchange contracts  | \$ 753        |                    |
| Total derivative assets and liabilities in the Consolidated Statements of Assets and Liabilities | 753           |                    |
| Derivatives not subject to a MNA   | (753)         |                    |
| Total assets and liabilities subject to a MNA  |               |                    |

The following tables present the Funds' derivative assets and liabilities by counterparty net of amounts available for offset under a MNA and net of the related collateral received and pledged by each Fund as of August 31, 2013:

| <b>Counterparty</b>         | <b>Derivative Assets</b>                |   |                                     | <b>Cash Collateral Received<sup>1</sup></b> | <b>Net Amount of Derivative Assets<sup>2</sup></b> |
|-----------------------------|---|---|-------------------------------------|---|--|
|                             | <b>Subject to a MNA by Counterparty</b> | <b>Derivatives Available for Offset</b> | <b>Non-cash Collateral Received</b> |   |  |
| Bank of America N.A.        | \$ 407                                  | \$ (407)                                |                                     |   |  |
| Barclays Bank PLC           | 16,230                                  | (76)                                    |                                     |   | \$ 16,154  |
| Citibank N.A.               | 28,154                                  | (28,154)                                |                                     |   |  |
| Credit Suisse International | 73                                      |   |                                     |   | 73   |
| Deutsche Bank AG            | 439,274                                 | (273,023)                               |                                     | \$ (166,251)                                |  |
| Goldman Sachs International | 102,690                                 | (102,690)                               |                                     |   |  |
| JPMorgan Chase Bank N.A.    | 68,067                                  | (68,067)                                |                                     |   |  |
|                             | \$ 654,895                              | \$ (472,417)                            |                                     | \$ (166,251)                                | \$ 16,227  |

| <b>Counterparty</b>         | <b>Derivative Liabilities</b>           |   |                                    | <b>Cash Collateral Pledged<sup>3</sup></b> | <b>Net Amount of Derivative Liabilities<sup>4</sup></b> |
|-----------------------------|---|---|------------------------------------|--|---|
|                             | <b>Subject to a MNA by Counterparty</b> | <b>Derivatives Available for Offset</b> | <b>Non-cash Collateral Pledged</b> |  |   |
| Bank of America N.A.        | \$ 4,150                                | \$ (407)                                |                                    |  | \$ 3,743  |
| Barclays Bank PLC           | 76                                      | (76)                                    |                                    |  |   |
| Citibank N.A.               | 202,809                                 | (28,154)                                |                                    |  | 174,655   |
| Deutsche Bank AG            | 273,023                                 | (273,023)                               |                                    |  |   |
| Goldman Sachs International | 840,323                                 | (102,690)                               |                                    | \$(600,000)                                | 137,633   |
| JPMorgan Chase Bank N.A.    | 95,704                                  | (68,067)                                |                                    |  | 27,637  |



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\$ 1,416,085 \$ (472,417) \$(600,000) \$ 343,668

CYE

| Counterparty                | Derivative Assets                |                                  |                              | Cash Collateral Received <sup>1</sup> | Net Amount of Derivative Assets <sup>2</sup> |
|-----------------------------|----------------------------------|----------------------------------|------------------------------|---------------------------------------|--|
|                             | Subject to a MNA by Counterparty | Derivatives Available for Offset | Non-cash Collateral Received |                                       |  |
| Bank of America N.A.        | \$ 370                           | \$ (370)                         |                              |                                       |  |
| Barclays Bank PLC           | 17,618                           | (94)                             |                              |                                       | \$ 17,524                                    |
| Citibank N.A.               | 364                              | (364)                            |                              |                                       |  |
| Credit Suisse International | 91                               |                                  |                              |                                       | 91   |
| Deutsche Bank AG            | 471,644                          | (296,945)                        |                              | \$ (174,699)                          |  |
| Goldman Sachs International | 113,988                          | (113,988)                        |                              |                                       |  |
| JPMorgan Chase Bank N.A.    | 88,768                           | (88,768)                         |                              |                                       |  |
|                             | \$ 692,843                       | \$ (500,529)                     |                              | \$ (174,699)                          | \$ 17,615                                    |

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## Notes to Consolidated Financial Statements (continued)

## CYE

| Counterparty                | Derivative Liabilities<br>Subject to a<br>MNA by |           | Derivatives<br>Available for Offset | Non-cash<br>Collateral<br>Pledged <sup>3</sup> | Cash Collateral<br>Pledged | Net Amount of<br>Derivative Liabilities <sup>4</sup> |
|-----------------------------|--|-----------|-------------------------------------|--|----------------------------|--|
|                             | Counterparty                                     |           |                                     |  |                            |  |
| Bank of America N.A.        | \$   | 4,150     | \$                                  | (370)  |                            | \$ 3,780   |
| Barclays Bank PLC           |  | 94        |                                     | (94)   |                            |  |
| Citibank N.A.               |  | 26,161    |                                     | (364)  |                            | 25,797   |
| Deutsche Bank AG            |  | 296,945   |                                     | (296,945)                                      |                            |  |
| Goldman Sachs International |  | 925,022   |                                     | (113,988)                                      | \$ (755,283)               | 55,751   |
| JPMorgan Chase Bank N.A.    |  | 107,538   |                                     | (88,768)                                       |                            | 18,770   |
|                             | \$   | 1,359,910 | \$                                  | (500,529)                                      | \$ (755,283)               | \$ 104,098   |

## DSU

| Counterparty                | Derivative Assets<br>Subject to a<br>MNA by |        | Derivatives<br>Available for Offset | Non-cash Collateral<br>Received | Cash Collateral<br>Received | Net Amount of<br>Derivative Assets |
|-----------------------------|---|--------|-------------------------------------|---------------------------------|-----------------------------|------------------------------------|
|                             | Counterparty                                |        |                                     |                                 |                             |                                    |
| Goldman Sachs International | \$  | 6,750  | \$                                  | (6,750)                         |                             |                                    |
| JPMorgan Chase Bank N.A.    |   | 83,710 |                                     | (83,710)                        |                             |                                    |
|                             | \$  | 90,460 | \$                                  | (90,460)                        |                             |                                    |

## DSU

| Counterparty                | Derivative Liabilities<br>Subject to a<br>MNA by |           | Derivatives<br>Available for Offset | Non-cash<br>Collateral<br>Pledged <sup>3</sup> | Cash Collateral<br>Pledged | Net Amount of<br>Derivative Liabilities <sup>4</sup> |
|-----------------------------|--|-----------|-------------------------------------|--|----------------------------|--|
|                             | Counterparty                                     |           |                                     |  |                            |  |
| Deutsche Bank AG            | \$   | 352,155   |                                     |  |                            | \$ 352,155   |
| Goldman Sachs International |  | 760,634   | \$                                  | (6,750)  | \$ (753,884)               |  |
| JPMorgan Chase Bank N.A.    |  | 173,287   |                                     | (83,710)                                       |                            | 89,577   |
|                             | \$   | 1,286,076 | \$                                  | (90,460)                                       | \$ (753,884)               | \$ 441,732   |

<sup>1</sup> Excess of collateral received from the individual counterparty may not be shown for financial reporting purposes.

<sup>2</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>3</sup> Excess of collateral pledged to the individual counterparty may not be shown for financial reporting purposes.

<sup>4</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

**5. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate, for 1940 Act purposes of BlackRock, Inc. ( BlackRock ).

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Each Fund entered into an Investment Advisory Agreement with the Manager, the Funds' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund paid the Manager a monthly fee based on a percentage of each Fund's average daily net assets, plus the proceeds of any outstanding borrowings used for leverage, at the following annual rates:

|     |       |
|-----|-------|
| COY | 0.50% |
| CYE | 0.60% |
| DSU | 0.60% |
| ARK | 0.50% |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Fund's investment in other affiliated investment companies, if any. This amount is shown as fees waived by Manager in the Consolidated Statements of Operations.

The Manager provides investment management and other services to the Subsidiary. The Manager does not receive separate compensation from the Subsidiary for providing investment management or administrative services. However, each Fund pays the Manager based on the Fund's net assets, which includes the assets of the Subsidiary.

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager. The Manager pays BFM for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Manager.

Certain officers and/or Directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of compensation paid to the Funds' Chief Compliance Officer, which is included in officer and directors in the Consolidated Statements of Operations.

The Funds may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is solely due to having a common investment adviser, common officers, or common trustees. For the six months ended

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## Notes to Consolidated Financial Statements (continued)

August 31, 2013, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

|     | Purchases    | Sales |
|-----|--------------|-------|
| COY | \$ 1,984,305 |       |
| CYE | \$ 453,872   |       |
| DSU | \$ 3,135,843 |       |
| ARK | \$ 2,798,488 |       |

**6. Purchases and Sales:**

Purchases and sales of investments including paydowns and excluding short-term securities for the six months ended August 31, 2013 were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| COY | \$ 137,619,395 | \$ 134,337,568 |
| CYE | \$ 149,465,668 | \$ 153,262,781 |
| DSU | \$ 211,598,965 | \$ 244,810,494 |
| ARK | \$ 100,616,917 | \$ 120,168,517 |

Transactions in options written for the six months ended August 31, 2013 were as follows:

|  | Calls    |           |          |           |
|--|----------|-----------|----------|-----------|
|  | COY      |           | CYE      |           |
|  | Notional |           | Notional |           |
|  | Amount   | Premiums  | Amount   | Premiums  |
|  | (000)    | Received  | (000)    | Received  |
| Outstanding options, beginning of period | \$ 4,050 | \$ 27,540 | \$ 4,400 | \$ 29,920 |
| Options written                          |          |           |          |           |
| Options closed                           | (4,050)  | (27,540)  | (4,400)  | (29,920)  |
| Options expired                          |          |           |          |           |
| Outstanding options, end of period       |          |           |          |           |

|  | Puts      |                             |           |                             |           |
|--|-----------|-----------------------------|-----------|-----------------------------|-----------|
|  | COY       |                             | CYE       |                             |           |
|  | Notional  |                             | Notional  |                             |           |
|  | Amount    | Premiums                    | Amount    | Premiums                    |           |
|  | Contracts | (000)<br>Amount<br>Received | Contracts | (000)<br>Amount<br>Received |           |
| Outstanding options, beginning of period |           | \$ 4,050                    | \$ 70,875 | \$ 4,400                    | \$ 77,000 |
| Options written                          | 2,210     |                             | 265,802   | 2,405                       | 289,600   |
| Options closed                           |           |                             |           |                             |           |

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|                                    |         |            |         |            |
|------------------------------------|---------|------------|---------|------------|
| Options expired                    | (4,050) | (70,875)   | (4,400) | (77,000)   |
| Outstanding options, end of period | 2,210   | \$ 265,802 | 2,405   | \$ 289,600 |

**7. Income Tax Information:**

As of February 28, 2013, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires February 28,            | COY                  | CYE                  | DSU                   | ARK                   |
|---------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2014                            |                      |                      | \$ 20,233,987         | \$ 4,906,362          |
| 2015                            |                      |                      | 3,578,574             | 1,585,622             |
| 2017                            | \$ 14,106,195        | \$ 12,258,925        | 56,690,782            | 27,675,242            |
| 2018                            | 36,323,237           | 33,834,777           | 148,062,952           | 60,685,648            |
| 2019                            |                      |                      | 16,301,990            | 9,564,345             |
| No expiration date <sup>1</sup> |                      |                      | 15,790,485            | 4,915,470             |
| <b>Total</b>                    | <b>\$ 50,429,432</b> | <b>\$ 46,093,702</b> | <b>\$ 260,658,770</b> | <b>\$ 109,332,689</b> |

<sup>1</sup>Must be utilized prior to losses subject to expiration.

As of August 31, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               | COY            | CYE            | DSU             | ARK            |
|-------------------------------|----------------|----------------|-----------------|----------------|
| Tax cost                      | \$ 377,909,483 | \$ 413,153,797 | \$ 693,944,974  | \$ 338,364,521 |
| Gross unrealized appreciation | \$ 14,917,228  | \$ 16,846,754  | \$ 25,472,194   | \$ 11,300,954  |
| Gross unrealized depreciation | (16,384,307)   | (16,933,156)   | (59,790,687)    | (12,759,539)   |
| Net unrealized depreciation   | \$ (1,467,079) | \$ (86,402)    | \$ (34,318,493) | \$ (1,458,585) |

**8. Bank Borrowings:**

Effective March 1, 2013, the Funds were party to a senior committed secured, 360-day rolling line of credit facility and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). SSB may elect to terminate its commitment upon 360-days written notice to the Funds at any time after February 24, 2014. The Funds have granted a security interest in substantially all of their assets to SSB.

**Table of Contents****Notes to Consolidated Financial Statements (concluded)**

The SSB Agreement allows for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| COY | \$ 132,000,000                |
| CYE | \$ 144,000,000                |
| DSU | \$ 231,000,000                |
| ARK | \$ 122,000,000                |

Advances will be made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, the Funds pay a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if the Funds meet certain conditions. The fees associated with each of the agreements are included in the Consolidated Statements of Operations as borrowing costs. Advances to the Funds as of August 31, 2013 are shown in the Consolidated Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

The Funds may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

For the six months ended August 31, 2013, the daily weighted average interest rates for Funds with loans under the revolving credit agreements were as follows:

|     |       |
|-----|-------|
| COY | 0.86% |
| CYE | 0.95% |
| DSU | 0.95% |
| ARK | 0.95% |

**9. Market and Credit Risk:**

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social

or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Consolidated Statements of Assets and Liabilities, less any collateral held by the Funds.

**10. Capital Share Transactions:**

Each Fund is authorized to issue 200 million shares, all of which were initially classified as Common Shares. Each Board is authorized, however,

to reclassify any unissued shares without approval of Common Shareholders.

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For the six months ended August 31, 2013 and the year ended February 28, 2013, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|     | Six Months Ended<br>August 31, | Year Ended<br>February 28, |
|-----|--------------------------------|----------------------------|
|     | 2013                           | 2013                       |
| COY | 23,093                         | 148,225                    |
| CYE | 10,434                         | 132,113                    |
| DSU | 60,013                         | 394,680                    |
| ARK | 33,748                         | 191,128                    |

### 11. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Fund paid a net investment income dividend on September 30, 2013 to Common Shareholders of record on September 16, 2013 as follows:

|     | Common<br>Dividend<br>Per Share |
|-----|---------------------------------|
| COY | \$ 0.0495                       |
| CYE | \$ 0.0505                       |
| DSU | \$ 0.0250                       |
| ARK | \$ 0.0240                       |

Additionally, the Funds declared a net investment income dividend on October 1, 2013 payable to Common Shareholders of record on October 16, 2013 for the same amounts noted above.

On October 11, 2013, the shareholders of COY and CYE approved their respective reorganization. On October 18, 2013, the Manager announced special distributions in connection with the reorganizations. COY and CYE will pay an income distribution on November 1, 2013 to shareholders of record as of October 29, 2013 as follows:

|     | Distribution<br>Per Share |
|-----|---------------------------|
| COY | \$ 0.210                  |
| CYE | \$ 0.135                  |

On October 25, 2013, the shareholders of DSU, ARK and BHD approved their respective reorganizations.

**Table of Contents****Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements**

The Board of Directors (each, a Board, collectively, the Boards, and the members of which are referred to as Board Members) of BlackRock Corporate High Yield Fund, Inc. (COY), BlackRock Corporate High Yield Fund III, Inc. (CYE), BlackRock Debt Strategies Fund, Inc. (DSU) and BlackRock Senior High Income Fund, Inc. (ARK) and together with COY, CYE and DSU, each a Fund, and, collectively, the Funds) met in person on April 18, 2013 (the April Meeting) and June 4-5, 2013 (the June Meeting) to consider the approval of each Fund's investment advisory agreement (each, an Advisory Agreement) with BlackRock Advisors, LLC (the Manager), each Fund's investment advisor. The Board of each Fund also considered the approval of the sub-advisory agreement (each, a Sub-Advisory Agreement) among the Manager, BlackRock Financial Management, Inc. (the Sub-Advisor), and its Fund. The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the Agreements.

**Activities and Composition of the Board**

Each Board consists of eleven individuals, nine of whom are not interested persons of such Fund as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). The Board Members are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of each Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

**The Agreements**

Pursuant to the 1940 Act, the Boards are required to consider the continuation of the Agreements on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, considered at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-year, three-year, five-year and/or since inception periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management's and portfolio managers' analysis of the reasons for any over-performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center and fund accounting; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds' investment objectives, policies and restrictions; (e) the Funds' compliance with their Code of Ethics and other compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock's implementation of the Funds' valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates; and (m) periodic updates on BlackRock's business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock's commitment to investment performance. In addition, the Boards requested and BlackRock provided an analysis of fair valuation and stale pricing policies. BlackRock also furnished information to the Boards in response to specific questions. These questions covered issues such as BlackRock's profitability, investment performance and management fee levels. The Boards further considered the importance of: (i) organizational and structural variables to investment performance; (ii) rates of portfolio turnover; (iii) BlackRock's performance accountability for portfolio managers; (iv) marketing support for the funds; (v) services provided to the Funds by BlackRock affiliates; and (vi) BlackRock's oversight of relationships with third party service providers.



**Board Considerations in Approving the Agreements**

The Approval Process: Prior to the April Meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are engaged in a process with its independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April Meeting included (a) information independently compiled and prepared by Lipper, Inc. ( Lipper ) on Fund fees and expenses as compared with a peer group of funds as determined by Lipper ( Expense Peers ) and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper<sup>1</sup> and, with respect to DSU and ARK, a customized peer group selected by BlackRock; (b) information on the profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning

<sup>1</sup> Lipper ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable.

**Table of Contents****Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)**

investment management fees charged to other clients, such as institutional clients and open-end funds, under similar investment mandates, as applicable; (d) review of non-management fees; (e) the existence, impact and sharing of potential economies of scale; (f) a summary of aggregate amounts paid by each Fund to BlackRock and (g) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At the April Meeting, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the April Meeting, and as a culmination of the Boards' year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the June Meeting.

At the June Meeting, each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund, each for a one-year term ending June 30, 2014. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Funds; (d) the Funds' costs to investors compared to the costs of Expense Peers and performance compared to the relevant performance comparison as previously discussed; (e) economies of scale; (f) fall-out benefits to BlackRock as a result of its relationship with the Funds; and (g) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds and advice from independent legal counsel with respect to the review process and materials submitted for the Boards' review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

**A. Nature, Extent and Quality of the Services Provided by BlackRock:** The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Funds. Throughout the year, the Boards compared Fund performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, if any. The Boards met with BlackRock's senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its Fund's portfolio management team discussing the Fund's performance and the Fund's investment objective, strategies and outlook.

The Boards considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and their Funds' portfolio management teams; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Boards engaged in a review of BlackRock's compensation structure with respect to their Funds' portfolio management teams and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and other non-investment advisory services provided to the Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus, the summary prospectus (as applicable) and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; (viii) furnishing analytical and other support to assist the Boards in their consideration of strategic issues such as the merger or consolidation of certain closed-end funds; and (ix) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, shareholder services, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

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B. The Investment Performance of the Funds and BlackRock: Each Board, including the Independent Board Members, also reviewed and considered the performance history of its Funds. In preparation for the April Meeting, the Boards worked with its independent legal counsel, BlackRock and Lipper to develop a template for, and were provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with their review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to other funds in its applicable Lipper category, and with respect to DSU and ARK, a customized peer group selected by BlackRock. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review their methodology. Each Board and its Performance Oversight Committee regularly review, and

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**Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)**

meet with Fund management to discuss, the performance of its Fund throughout the year.

The Board of CYE noted that CYE ranked in the first quartile against its Lipper Performance Universe for each of the one-, three- and five-year periods reported.

The Board of COY noted that COY ranked in the second quartile against its Lipper Performance Universe for each of the one-, three- and five-year periods reported.

The Board of DSU noted that DSU ranked in the third, second and fourth quartiles against its Customized Lipper Peer Group for the one-, three- and five-year periods reported, respectively. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for DSU. The Board of DSU and BlackRock reviewed and discussed the reasons for DSU's underperformance during the one- and five-year periods compared to its Customized Lipper Peer Group. The Board of DSU was informed that, among other things, one-year underperformance was mostly driven by DSU's bank loan allocation, which tends to pursue a higher quality bias. Underperformance for the five-year period is generally a result of less use of leverage relative to peers during 2009 and a difficult 2008. The high yield and bank loan markets produced record gains in 2009, boosting funds employing higher leverage at the expense of those with less.

The Board of ARK noted that ARK ranked in the third quartile against its Customized Lipper Peer Group for each of the one-, three- and five-year periods reported. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for ARK. The Board of ARK and BlackRock reviewed and discussed the reasons for ARK's underperformance during these periods compared to its Customized Lipper Peer Group. The Board of ARK was informed that, among other things, relative to peers underperformance during the one- and three-year periods was mostly driven by ARK's bank loan allocation, which tends to pursue a higher quality bias. In a year where lower-rated riskier credits outperformed higher rated assets, this investment approach caused ARK to lag the broader market. Underperformance during the five-year period can be attributed to 2008; both high yield and bank loans markets were down substantially and a strategy that pursued a lower-quality credit bias hampered performance, which was amplified by an already challenging financial market with minimal to no liquidity.

The Boards of DSU and ARK and BlackRock also discussed BlackRock's strategy for improving the performance of DSU and ARK and BlackRock's commitment to providing the resources necessary to assist the Funds' portfolio managers and to improve the Funds' performance.

The Boards noted that BlackRock has recently made, and continues to make, changes to the organization of BlackRock's overall portfolio management structure designed to result in strengthened leadership teams.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds: Each Board, including the Independent Board Members, reviewed its Fund's contractual management fee rate compared with the other funds in its Lipper category. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. Each Board also compared its Fund's total net operating expense ratio, as well as actual management fee rate, to those of other funds in its Lipper category. The total net operating expense ratio and actual management fee rate both give effect to any expense reimbursements or fee waivers that benefit the funds. The Boards considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition. The Boards were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock's profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2012 compared to available aggregate profitability data provided for the prior two years. The Boards reviewed BlackRock's profitability with respect to certain other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. As a result, comparing profitability is difficult.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

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In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' profits relating to the management of the Funds and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Boards reviewed BlackRock's methodology in allocating its costs to the management of the Funds. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards.

The Board of each of CYE, COY, DSU and ARK noted that its respective Fund's contractual management fee rate ranked in the first quartile relative to the Fund's Expense Peers.

D. Economies of Scale: Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there should be changes in the advisory fee rate or breakpoint structure in

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order to enable the Fund to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Fund.

Based on the Boards' review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund's inception. The Boards noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

**E. Other Factors Deemed Relevant by the Board Members:** The Boards, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from their respective relationships with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Funds, including securities lending and cash management services. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that they had considered the investment by BlackRock's funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Boards noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Fund shares in the secondary market if they believe that the Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

The Boards also considered the various notable initiatives and projects BlackRock performed in connection with its closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; efforts to eliminate product overlap with fund mergers; ongoing services to manage leverage that has become increasingly complex; share repurchases and other support initiatives for certain BlackRock funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted BlackRock's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. BlackRock's support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the BlackRock funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing its closed-end fund website.

**Conclusion**

Each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2014, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund for a one-year term ending June 30, 2014. Based upon its evaluation of all of the aforementioned factors in their totality, the Boards, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Funds and their shareholders. In arriving at their decision to approve the Agreements, the Boards did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making these determinations. The contractual fee arrangements for the Funds reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

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**Officers and Directors**

Richard E. Cavanagh, Chairman of the Board and Director

Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Director

Paul L. Audet, Director

Michael J. Castellano, Director and Member of the Audit Committee

Frank J. Fabozzi, Director and Member of the Audit Committee

Kathleen F. Feldstein, Director

James T. Flynn, Director and Member of the Audit Committee

Henry Gabbay, Director

Jerrold B. Harris, Director

R. Glenn Hubbard, Director

W. Carl Kester, Director and Member of the Audit Committee

John M. Perlowski, President and Chief Executive Officer

Anne Ackerley, Vice President<sup>1</sup>

Brendan Kyne, Vice President

Robert W. Crothers, Vice President

Neal Andrews, Chief Financial Officer

Jay Fife, Treasurer

Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer

Janey Ahn, Secretary

<sup>1</sup> Effective September 13, 2013, Ms. Ackerley resigned as Vice President of the Funds.

**Investment Advisor**

BlackRock Advisors, LLC

Wilmington, DE 19809

**Sub-Advisor**

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BlackRock Financial Management, Inc.

New York, NY 10055

### **Custodians**

JPMorgan Chase Bank, N.A.<sup>2</sup>

New York, NY 10017

State Street Bank and Trust Company<sup>3</sup>

Boston, MA 02110

The Bank of New York Mellon<sup>4</sup>

New York, NY 10286

### **Transfer Agent**

Computershare Trust Company, N.A.

Canton, MA 02021

### **Accounting Agent**

State Street Bank and Trust Company

Boston, MA 02110

### **Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

New York, NY 10036

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

Boston, MA 02116

### **Address of the Funds**

100 Bellevue Parkway

Wilmington, DE 19809

<sup>2</sup> For COY.

<sup>3</sup> For CYE.



<sup>4</sup> For DSU and ARK.

SEMI-ANNUAL REPORT

AUGUST 31, 2013

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## Additional Information

**Proxy Results**

The Annual Meeting of Shareholders was held on July 30, 2013 for shareholders of record on June 3, 2013 to elect director nominees for each Fund. There were no broker non-votes with regard to any of the Funds.

|     | <b>Paul L. Audet</b>    |                 |                | <b>Michael J. Castellano</b> |                 |                | <b>Richard E. Cavanagh</b> |                 |                |
|-----|-------------------------|-----------------|----------------|------------------------------|-----------------|----------------|----------------------------|-----------------|----------------|
|     | <b>Votes For</b>        | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>             | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>           | <b>Withheld</b> | <b>Abstain</b> |
| COY | 24,508,590              | 1,044,735       | 0              | 24,497,059                   | 1,056,266       | 0              | 24,729,088                 | 824,237         | 0              |
| CYE | 25,843,143              | 834,716         | 0              | 25,787,855                   | 890,004         | 0              | 25,787,738                 | 890,121         | 0              |
| DSU | 80,066,780              | 2,555,571       | 0              | 79,985,127                   | 2,637,224       | 0              | 79,934,819                 | 2,687,532       | 0              |
| ARK | 45,147,399              | 997,566         | 0              | 45,066,865                   | 1,078,100       | 0              | 45,208,960                 | 936,005         | 0              |
|     | <b>Frank J. Fabozzi</b> |                 |                | <b>Kathleen F. Feldstein</b> |                 |                | <b>James T. Flynn</b>      |                 |                |
|     | <b>Votes For</b>        | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>             | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>           | <b>Withheld</b> | <b>Abstain</b> |
| COY | 24,498,381              | 1,054,944       | 0              | 24,308,272                   | 1,245,053       | 0              | 24,384,726                 | 1,168,599       | 0              |
| CYE | 25,855,509              | 822,350         | 0              | 25,575,134                   | 1,102,725       | 0              | 25,751,559                 | 926,300         | 0              |
| DSU | 79,949,832              | 2,672,519       | 0              | 79,657,520                   | 2,964,831       | 0              | 79,743,796                 | 2,878,555       | 0              |
| ARK | 45,008,812              | 1,136,153       | 0              | 44,970,833                   | 1,174,132       | 0              | 44,955,630                 | 1,189,335       | 0              |
|     | <b>Henry Gabbay</b>     |                 |                | <b>Jerrold B. Harris</b>     |                 |                | <b>R. Glenn Hubbard</b>    |                 |                |
|     | <b>Votes For</b>        | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>             | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>           | <b>Withheld</b> | <b>Abstain</b> |
| COY | 24,501,624              | 1,051,701       | 0              | 24,399,480                   | 1,153,845       | 0              | 24,362,341                 | 1,190,984       | 0              |
| CYE | 25,822,689              | 855,170         | 0              | 25,716,015                   | 961,844         | 0              | 25,733,639                 | 944,220         | 0              |
| DSU | 80,072,295              | 2,550,056       | 0              | 79,875,365                   | 2,746,986       | 0              | 79,948,947                 | 2,673,404       | 0              |
| ARK | 45,182,123              | 962,842         | 0              | 45,066,122                   | 1,078,843       | 0              | 44,818,751                 | 1,326,214       | 0              |
|     | <b>W. Carl Kester</b>   |                 |                | <b>Karen P. Robards</b>      |                 |                |                            |                 |                |
|     | <b>Votes For</b>        | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>             | <b>Withheld</b> | <b>Abstain</b> |                            |                 |                |
| COY | 24,513,183              | 1,040,142       | 0              | 24,441,077                   | 1,112,248       | 0              |                            |                 |                |
| CYE | 25,863,313              | 814,546         | 0              | 25,850,920                   | 826,939         | 0              |                            |                 |                |
| DSU | 80,113,092              | 2,509,259       | 0              | 80,003,402                   | 2,618,949       | 0              |                            |                 |                |
| ARK | 45,130,209              | 1,014,756       | 0              | 45,158,094                   | 986,871         | 0              |                            |                 |                |

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**Additional Information (continued)**

**Regulation Regarding Derivatives**

Effective December 31, 2012, the Commodity Futures Trading Commission ( CFTC ) adopted certain regulatory changes that subject registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps ( CFTC Derivatives ), or if the fund markets itself as providing investment exposure to such instruments. To the extent a Fund uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act ( CEA ) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a commodity pool operator under the CEA in respect of each Fund.

**Dividend Policy**

Each Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The portion of dividend distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Dividend distributions in excess of a Fund's taxable income and net capital gains, but not in excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Consolidated Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

**General Information**

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

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**Additional Information (concluded)**

**General Information (concluded)**

**Electronic Delivery**

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

**Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:**

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

**Householding**

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Funds at (800) 882-0052.

**Availability of Quarterly Schedule of Investments**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

**Availability of Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

**Availability of Proxy Voting Record**

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

**Availability of Fund Updates**

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

**BlackRock Privacy Principles**

## Edgar Filing: BLACKROCK SENIOR HIGH INCOME FUND, INC. - Form N-CSRS

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

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

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following:

(i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

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

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

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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- Item 2 Code of Ethics Not Applicable to this semi-annual report
- Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report
- Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report
- Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report
- Item 6 Investments
- (a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.
- (b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.
- Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies  
Not Applicable to this semi-annual report
- Item 8 Portfolio Managers of Closed-End Management Investment Companies
- (a) Not Applicable to this semi-annual report
- (b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- 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 There have been no material changes to these procedures.
- Item 11 Controls and Procedures
- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.
- Item 12 Exhibits attached hereto
- (a)(1) Code of Ethics Not Applicable to this semi-annual report
- (a)(2) Certifications Attached hereto
- (a)(3) Not Applicable
- (b) Certifications Attached hereto

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

BlackRock Senior High Income Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Senior High Income Fund, Inc.

Date: November 4, 2013

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/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Senior High Income Fund, Inc.

Date: November 4, 2013

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Senior High Income Fund, Inc.

Date: November 4, 2013