BLACKROCK SENIOR HIGH INCOME FUND, INC. Form N-CSRS November 08, 2010 UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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FORM N-CSRS
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)
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Date of fiscal year end: 02/28/2011
Date of reporting period: 08/31/2010
Item 1 Report to Stockholders

August 31, 2010

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 Floating Rate Income Strategies Fund II, Inc. (FRB)

BlackRock Senior High Income Fund, Inc. (ARK)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

The global economic recovery continues, although global and US economic statistics show that the pace of economic growth has slowed. The sovereign debt crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip recession have all acted to depress investor sentiment. Despite broadening evidence of a slowdown in global economic activity, market volatility has normalized from the extreme levels seen in recent months. In the United States, economic data continues to be mixed, but it is our view that the preponderance of data suggests that the recovery is continuing. The critical issue for investors remains the question of whether the economy will experience a double-dip recession. We are on the optimistic side of this debate and would point out that while the recovery has been slow, we have made significant progress.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred primarily as a result of mixed economic data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets lost ground on weaker-than-expected economic data, most notably from the United States. International equities posted negative returns on both a six- and 12-month basis while US equities posted negative returns over the six months, but were still showing positive returns on a 12-month basis as the domestic economic recovery had been more pronounced and credit-related issues held European markets down. Within the United States, smaller cap stocks continue to outperform large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Risk aversion and credit issues have kept interest rates low and US Treasury yields have fallen significantly as investors favored—safe haven—assets. As the period drew to a close, Treasuries modestly outperformed the spread sectors of the market (those driven by changes in credit risk). Corporate credit spreads benefited from the low rate environment and high yield fixed income remains attractive due to low default rates and better-than-expected results on European bank stress tests. Meanwhile, tax-exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of August 31, 2010	6-month	12-month
US large cap equities (S&P 500 Index)	(4.04)%	4.91%
US small cap equities (Russell 2000 Index)	(3.60)	6.60
International equities (MSCI Europe, Australasia, Far East Index)	(3.04)	(2.34)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.14
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	11.49	11.58
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.81	9.18
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	5.42	9.78
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.62	21.40

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

Although conditions have improved over the past couple of years, investors across the globe continue to face uncertainty about the future direction of economic growth. Through periods of uncertainty, as ever, BlackRock s full resources are dedicated to the management of our clients assets. For additional market perspective and investment insight, visit **www.blackrock.com/shareholdermagazine**, where you ll find the most recent issue of our award-winning *Shareholder*[®] magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. We thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely, Rob Kapito President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of August 31, 2010

BlackRock Corporate High Yield Fund, Inc.

Fund Overview

BlackRock Corporate High Yield Fund, Inc. s (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 (s0) or Ba or lower by Moody s Investors Service, Inc. (s0 Moody s0) or are unrated securities considered by BlackRock to be of comparable quality. The Fund s0 secondary objective is to provide stockholders 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 s1 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.

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

Performance

For the six months ended August 31, 2010, the Fund returned 6.15% based on market price and 7.94% based on net asset value (NAV). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which narrowed 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. During the six-month period, high yield bonds lagged investment grade issues but outperformed the broad US equity market. Given our outlook for a continued slow economic environment, we focused more on sectors and companies with relatively stable cash flows and the ability to generate steady income, and less on companies which require growth to prosper and service their debt. Outside of this focus, the Fund s investments in special situations and recovery stories, most notably in the automotive sector, contributed to the Fund s outperformance versus its peer group. The Fund s underweight in higher quality speculative grade names and overweight in lower quality credits benefited performance. Toward the end of the period, we moved to an underweight position in lower quality names as lower quality issues have recently become expensive relative to higher quality names. During the period, the Fund maintained leverage at an average of approximately 17% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. The Fund s exposure to Floating Rate Loans detracted from performance (despite favorable security selection within the sector) as the bank loan sector underperformed high yield during the period.

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.

Fund Information

Symbol on NYSE	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of August 31, 2010 (\$6.98) ¹	8.77%
Current Monthly Distribution per Share ²	\$0.051
Current Annualized Distribution per Share ²	\$0.612
Leverage as of August 31, 2010 ³	17%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution rate is not constant and is subject to change.
- 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 9.

The table below summarizes the changes in the Fund s market price and NAV per share:

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 6.98	\$ 6.88		\$ 7.08	\$ 5.50
Net Asset Value	\$ 6.85	\$ 6.64		\$ 7.02	\$ 6.60

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

Portfolio Composition

	8/31/10	2/28/10
Corporate Bonds	84%	82%
Floating Rate Loan Interests	12	13
Common Stocks	2	3
Other Interests	2	2

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	3%	3%
BB/Ba	36	30
В	46	46
CCC/Caa	11	12
CC/Ca		1
D		1
Not Rated	4	7

4 Using the higher of S&P s or Moody s ratings.

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Fund Summary as of August 31, 2010

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 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.

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

Performance

For the six months ended August 31, 2010, the Fund returned 8.45% based on market price and 7.81% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium 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. During the six-month period, high yield bonds lagged investment grade issues but outperformed the broad US equity market, as the slowing economy and concerns about Europe caused investors to sell riskier investments and falling interest rates pushed up the prices of higher quality bonds. Given our outlook for a continued slow economic environment, we began to focus more on sectors and companies with relatively stable cash flows and the ability to generate steady income, and less on companies with less stable cash flow and which require growth to be able to service their debt. Outside of this focus, we continued to invest in a few special situations and recovery stories, most notably in the automotive sector. These investments were key contributors to the Fund s outperformance versus its peer group for the period. The Fund s underweight position in higher quality speculative grade names and overweight in lower quality credits benefited performance during the period. Toward the end of the period, we moved to an underweight position in lower quality names, which we believe will benefit the Fund going forward as lower quality issues have recently become expensive relative to higher quality names. During the period, the Fund maintained leverage at an average amount between 18% to 20% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. The Fund s exposure to Floating Rate Loans detracted from performance (despite favorable security selection within the sector) as the bank loan sector underperformed high yield during the period.

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Fund Information

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of August 31, 2010 (\$6.92) ¹	8.67%
Current Monthly Distribution per Share ²	\$0.05
Current Annualized Distribution per Share ²	\$0.60
Leverage as of August 31, 2010 ³	20%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution rate is not constant and is subject to change.
- 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 9.

The table below summarizes the changes in the Fund s market price and NAV per share:

	8/31/10	2/28/10	Change	High	Low
Market Price	\$ 6.92	\$ 6.67		\$ 7.14	\$ 5.29
Net Asset Value	\$ 6.90	\$ 6.69		\$ 7.13	\$ 6.66

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

Portfolio Composition

	8/31/10	2/28/10
Corporate Bonds	80%	81%
Floating Rate Loan Interests	14	13
Common Stocks	2	4
Other Interests	2	2
Preferred Stocks	2	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	3%	3%
BB/Ba	35	29
В	46	47
CCC/Caa	11	12
D		1
Not Rated	5	8

⁴ Using the higher of S&P s or Moody s ratings.

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Fund Summary as of August 31, 2010

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 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.

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

Performance

For the six months ended August 31, 2010, the Fund returned 4.91% based on market price and 7.61% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% 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. The Fund s Lipper category competitors invest primarily in high yield bonds, whereas the Fund invests in both high yield bonds and bank loans. During the period, approximately 48% of the Fund was invested in bank loans, with 43% in high yield, and the remainder in common stock, convertibles and investment-grade bonds. The Fund performed in line with its Lipper category, even though bank loans underperformed high yield during the period. The Fund maintained relatively conservative positioning, with a focus on sectors that are less sensitive to the economy and the consumer. This positioning had a negative impact on performance in a generally improving market, although it proved beneficial during the market correction that occurred in the second quarter of 2010. The Fund continued to maintain relatively low levels of leverage, which detracted from performance versus competitors that maintained higher leverage, as would be expected in an advancing market. Contributing positively to performance were the Fund s overweight position in the automobiles sector, investments in several distressed credits and special situations, and an underweight position in health care.

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Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of August 31, 2010 (\$3.92) ¹	8.88%
Current Monthly Distribution per Share ²	\$0.029
Current Annualized Distribution per Share ²	\$0.348
Leverage as of August 31, 2010 ³	16%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

- A change in the distribution rate was declared on September 1, 2010. The Monthly Distribution per Share was decreased to \$0.027. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.
- 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 9.

The table below summarizes the changes in the Fund s market price and NAV per share:

	8/31/10		2/28/10		Change	High		Low	
Market Price	\$	3.92	\$	3.91	0.26%	\$	4.42	\$	2.95
Net Asset Value	\$	4.00	\$	3.89	2.83%	\$	4.14	\$	3.89

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests Corporate Bonds	50% 46	47% 49
Common Stocks Other Interests	3	4

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	6%	5%
BB/Ba	30	27
В	48	44
CCC/Caa	9	11
D		1
Not Rated	7	12

⁴ Using the higher of S&P s or Moody s ratings.

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Fund Summary as of August 31, 2010

BlackRock Floating Rate Income Strategies Fund II, Inc.

Fund Overview

BlackRock Floating Rate Income Strategies Fund II, Inc. s (FRB) (the Fund) investment objective is to provide shareholders with high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in floating rate debt securities, including floating or variable rate debt securities that pay interest at rates that adjust whenever a specified interest rate changes and/or which reset on predetermined dates (such as the last day of a month or calendar quarter). The Fund invests a substantial portion of its investments in floating rate debt securities consisting of secured or unsecured senior floating rate loans that are rated below investment grade. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the six months ended August 31, 2010, the Fund returned (7.02)% based on market price and 4.25% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 2.23% based on market price and 2.82% based on NAV. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds and unleveraged continuously offered closed-end funds. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which narrowed 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. The Fund s allocation to high yield bonds (approximately 20%) benefited performance as the sector performed well during the period. We focused on higher quality loan structures and borrowers with relatively stable cash flows and the ability to generate steady income. Outside of this focus, we invested in a few special situations and recovery stories, most notably in the automotive sector, which contributed positively to performance. The Fund s overweight in higher quality speculative investments and underweight in lower quality credits modestly detracted from performance. The Fund maintained leverage at an average between 16% to 17% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing.

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Fund Information

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of August 31, 2010 (\$13.50) ¹	6.67%
Current Monthly Distribution per Share ²	\$0.075
Current Annualized Distribution per Share ²	\$0.900
Leverage as of August 31, 2010 ³	17%

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

- The distribution rate is not constant and is subject to change.
- 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 9.

The table below summarizes the changes in the Fund s market price and NAV per share:

	8	/31/10	2	/28/10	Change	I	High	Low
Market Price	\$	13.50	\$	15.01	(10.06)%		15.63	\$ 12.80
Net Asset Value	\$	13.27	\$	13.16	0.84%		13.52	\$ 13.03

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests	76%	73%
Corporate Bonds Other Interests	22	26
Common Stock	1	1

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	6%	6%
BB/Ba	34	34
В	48	38
CCC/Caa	6	10
CC/Ca	1	1
D		2
Not Rated	5	9

⁴ Using the higher of S&P s or Moody s ratings.

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Fund Summary as of August 31, 2010

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.

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

Performance

For the six months ended August 31, 2010, the Fund returned 3.86% based on market price and 5.98% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 10.10% based on market price and 7.66% 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. The Fund s Lipper category competitors invest primarily in high yield bonds, whereas the Fund invests in both high yield bonds and bank loans. During the period, approximately 46% of the Fund was invested in bank loans, with 47% in high yield, and the remainder in common stock, convertibles and investment-grade bonds. The Fund s allocation to bank loans detracted from relative performance during the period, as loans underperformed high yield. The Fund maintained relatively conservative positioning, with a focus on sectors that are less sensitive to the economy and the consumer. This positioning had a negative impact on performance in a generally improving market, although it proved beneficial during the market correction that occurred in the second quarter of 2010. The Fund continued to maintain relatively low levels of leverage (less than 15%), which detracted from performance versus competitors that maintained higher leverage, as would be expected in an advancing market. Contributing positively to performance were the Fund s overweight position in the automobiles sector, investments in several distressed credits and special situations, and an underweight position in health care.

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.

Fund Information

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of August 31, 2010 (\$3.94) ¹	7.61%
Current Monthly Distribution per Common Share ²	\$0.025
Current Annualized Distribution per Common Share ²	\$0.300
Leverage as of August 31, 2010 ³	13%

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

- The distribution is not constant and is subject to change.
- 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 9.

The table below summarizes the changes in the Fund s market price and NAV per share:

	8/	31/10	2/	28/10	Change]	High	Low
Market Price	\$	3.94	\$	3.94	0.00%	\$	4.48	\$ 3.59
Net Asset Value	\$	3.99	\$	3.91	2.05%	\$	4.09	\$ 3.87

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

Portfolio Composition

	8/31/10	2/28/10
Floating Rate Loan Interests Corporate Bonds	51% 46	46% 52
Common Stocks	2	2
Other Interests	1	

Credit Quality Allocations⁴

	8/31/10	2/28/10
BBB/Baa	7%	5%
BB/Ba	32	33
В	48	43
CCC/Caa	7	11
D		1
Not Rated	6	7

⁴ 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. However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage by borrowing 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 will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund s 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 issues debt securities 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 interest expense on the \$30 million of debt securities based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from borrowings earn income based on long-term interest rates. In this case, the interest expense of borrowings is significantly lower than the income earned on the Fund s long-term investments, and therefore the 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 of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the 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 Fund s 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 Fund s borrowings do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund s NAV 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 and shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in each Fund s NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund s net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund s net income will be less than if leverage had not been used, and therefore the amount available for distribution to 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, the Funds are permitted to borrow through their credit facility up to $33^{1}/_{3}\%$ of their total managed assets. As of August 31, 2010, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
COY	17%
COY CYE DSU	20%
DSU	16%

FRB 17% ARK 13%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, swaps, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Funds ability to successfully use a derivative instrument depends on the investment advisor—s ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio securities 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 a security that it might otherwise sell. The Funds investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments August 31, 2010 (Unaudited)

BlackRock Corporate High Yield Fund, Inc. (COY)
(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Building Products 0.1%		
Masonite Worldwide Holdings (a)	5,953	\$ 226,214
Capital Markets 0.1%		
E*Trade Financial Corp. (a)	26,900	333,829
Chemicals 0.0%	1.405	71
Wellman Holdings, Inc. (a)	1,425	71
Communications Equipment 0.5%	00.577	1 200 772
Loral Space & Communications Ltd. (a)	22,577	1,208,773
Construction Materials 0.0%		00.000
Nortek, Inc. (a)	2,020	83,830
Containers & Packaging 0.0%		
Smurfit Kappa Plc (a)	3,634	31,776
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	67,974	2,107
Household Durables 0.2%		
Beazer Homes USA, Inc. (a)	113,588	393,014
Machinery 0.2%		
Accuride Corp., Restricted Shares (a) Navistar International Corp. (a)	84,389 8,700	92,828 364,356
	-,	
		457,184
Media 0.4%		
Charter Communications, Inc. (a) Gannett Co., Inc.	15,186 39,500	516,324 477,555
C	27,000	
		993,879
Paper & Forest Products 0.1%		
Ainsworth Lumber Co. Ltd. (a)	36,744	86,144
Ainsworth Lumber Co. Ltd. (a)(b)	41,686 147,968	97,731 40,935
Western Forest Products, Inc. (a) Western Forest Products, Inc. (a)(b)	41,528	11,488
		236,298
Semiconductors & Semiconductor		

Equipment 0.0%		
SunPower Corp., Class B (a)	352	3,640
Software 0.2%		
HMH Holdings/EduMedia (a)	83,184	415,922
Wireless Telecommunication Services 0.1%		
Wireless Telecommunication Services 0.1% FiberTower Corp. (a)	76,542	274,786
	76,542	274,786
	76,542	274,786 4,661,323

Corporate Bonds	Pa (000		
Aerospace & Defense 0.4%			
Bombardier, Inc., 7.75%, 3/15/20 (b)	USD	200	215,000
DynCorp International, Inc., 10.38%, 7/01/17 (b)		230	228,850
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17		500	516,250
			960,100

Corporate Bonds	Par (000)	Value
Air Freight & Logistics 0.6%		
National Air Cargo Group, Inc.:		
Series 1, 12.38%, 8/16/15	USD 695	\$ 695,000
Series 2, 12.38%, 8/16/15	695	695,000
		1,390,000
Airlines 2.9%		
Air Canada (b):		
9.25%, 8/01/15	970	950,600
12.00%, 2/01/16	260	243,100
American Airlines, Inc., 10.50%, 10/15/12 (b)	870	924,375
American Airlines Pass Through Trust, Series 2001-02,		
7.86%, 4/01/13	390	408,135
Continental Airlines, Inc.:		
6.75%, 9/15/15 (b)	540	534,600
Series 1997-4-B, 6.90%, 7/02/18	503	490,655
Series 2001-1-C, 7.03%, 12/15/12	224	222,395
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	926	972,807
United Air Lines, Inc., 12.75%, 7/15/12	1,982	2,210,376
		6,957,043
Auto Components 1.5%		
Allison Transmission, Inc. (b):		
11.00%, 11/01/15	220	236,500

11.25%, 11/01/15 (c)		164	176,300
Delphi International Holdings Unsecured, 12.00%, 10/06/14		41	39,860
The Goodyear Tire & Rubber Co.:		11	37,000
8.25%, 8/15/20		400	409,500
8.75%, 8/15/20		280	296,100
Icahn Enterprises LP, 8.00%, 1/15/18		2,475	2,462,625
			3,620,885
Beverages 0.2%			
Cott Beverages USA, Inc., 8.13%, 9/01/18 (b)		245	252,044
Crown European Holdings SA, 7.13%, 8/15/18 (b)	EUR	225	292,259
			544,303
Biotechnology 0.3%			
QHP Pharma, 10.25%, 3/15/15 (b)	USD	582	593,916
Building Products 1.5%			
Associated Materials LLC, 9.88%, 11/15/16		710	752,600
Building Materials Corp. of America (b):			
6.88%, 8/15/18		490	476,525
7.00%, 2/15/20		570	567,150
Momentive Performance Materials, Inc., Series WI,			
9.75%, 12/01/14		695	678,494
Ply Gem Industries, Inc., 11.75%, 6/15/13		1,130	1,163,900
			3,638,669
Capital Markets 0.5%		_	
E*Trade Financial Corp., 3.43%, 8/31/19 (b)(d)(e)		226	271,200
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)		904	334,480
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(c)		254	22,889
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(c)		266	23,928
Offshore Group Investments Ltd., 11.50%, 8/01/15 (b)		480	478,800
			1,131,297

Portfolio Abbreviations

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

CAD Canadian Dollar

EUR Euro

FKA Formerly Known As

GBP British Pound

PIK Payment-In-Kind

USD US Dollar

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY) (Percentages shown are based on Net Assets)

Corporate Bonds	P: (00		Value
Chemicals 3.5%			
American Pacific Corp., 9.00%, 2/01/15	USD	800	\$ 791,000
CF Industries, Inc.:			
6.88%, 5/01/18		405	426,263
7.13%, 5/01/20		715	766,837
Chemtura Corp., 7.88%, 9/01/18 (b)		490	500,412
Georgia Gulf Corp., 9.00%, 1/15/17 (b)		155	160,619
Hexion U.S. Finance Corp.:			
9.75%, 11/15/14		730	717,225
8.88%, 2/01/18		690	638,250
Huntsman International LLC (b):			
6.88%, 11/15/13		260	324,543
8.63%, 3/15/20		220	218,075
Ineos Finance Plc, 9.00%, 5/15/15 (b)		385	389,331
Innophos, Inc., 8.88%, 8/15/14		740	758,500
MacDermid, Inc., 9.50%, 4/15/17 (b)		1,180	1,196,225
OXEA Finance/Cy SCA, 9.63%, 7/15/17 (b)	EUR	385	504,968
Wellman Holdings, Inc., Subordinate Note (d):	Eck	303	301,700
(Second Lien), 10.00%, 1/29/19 (b)	USD	790	687,300
(Third Lien), 5.00%, 1/29/19 (c)	CSE	259	101,015
(Time Elen), 3.00 %, 1/27/17 (c)		237	 101,013
			8,180,563
Commercial Banks 3.0%			
CIT Group, Inc.:			
7.00%, 5/01/16		1,735	1,648,250
7.00%, 5/01/17		5,870	5,519,631
			7,167,881
Commercial Services & Supplies 1.1%			
ACCO Brands Corp., 10.63%, 3/15/15		480	528,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		555	604,950
Scientific Games International, Inc., 9.25%,			
6/15/19		215	227,900
West Corp., 11.00%, 10/15/16		1,170	1,228,500
			2,589,350
			<u> </u>
Construction Materials 0.9%		2.020	2 120 025
Nortek, Inc., 11.00%, 12/01/13		2,029	2,138,035
Consumer Finance 1.0%			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)		640	663,200
Ford Motor Credit Co. LLC:			
3.28%, 1/13/12 (f)		195	191,100
••			*

7.80%, 6/01/12		200	210,468
8.00%, 12/15/16		170	184,609
6.63%, 8/15/17		1,150	1,168,828
		-	2.410.205
			2,418,205
Containers & Packaging 3.2%			
Ball Corp., 6.75%, 9/15/20		475	499,938
Berry Plastics Corp.:			
8.88%, 9/15/14		755	719,137
8.25%, 11/15/15		125	125,313
9.50%, 5/15/18 (b)		395	363,400
Berry Plastics Holding Corp., 8.88%, 9/15/14		2,305	2,195,512
Graphic Packaging International, Inc., 9.50%,			
6/15/17		810	862,650
Impress Holdings BV, 3.65%, 9/15/13 (b)(f)		390	368,550
Owens-Brockway Glass Container, Inc., 6.75%,			
12/01/14	EUR	152	194,548
Pregis Corp., 12.38%, 10/15/13	USD	1,130	1,130,000
Smurfit Kappa Acquisitions (b):			
7.25%, 11/15/17		465	601,057
7.75%, 11/15/19		440	571,530
		-	
			7,631,635

Corporate Bonds	Par (000)		Value
Diversified Consumer Services 1.2%			
Service Corp. International, 7.00%, 6/15/17	USD 2,8	800 \$	2,898,000
Diversified Financial Services 6.7%			
Ally Financial Inc. (b):			
8.30%, 2/12/15	1,9	970	2,048,800
7.50%, 9/15/20	1,7	760	1,742,400
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16	g	935	936,169
FCE Bank Plc:			
7.88%, 2/15/11	1,1	150	1,785,742
7.13%, 1/16/12	1,4	150	1,901,826
7.13%, 1/15/13	5	550	721,382
GMAC, Inc.:			
7.50%, 12/31/13	3	350	357,437
2.74%, 12/01/14 (f)	3	371	318,959
8.00%, 3/15/20 (b)	2,3	300	2,357,500
Leucadia National Corp., 8.13%, 9/15/15	1,1	120	1,192,800
Reynolds Group DL Escrow, Inc., 7.75%,			
10/15/16 (b)	1,3	340	1,350,050
Reynolds Group Issuer, Inc. (b):			
7.75%, 10/15/16	3	350	450,186
8.50%, 5/15/18	7	710	681,600
			15,844,851
Diversified Telecommunication Services 4.5%			
Broadview Networks Holdings, Inc., 11.38%,			
9/01/12	1,0	000	980,000

Frontier Communications Corp.:		
7.88%, 4/15/15	550	580,250
8.25%, 4/15/17	700	740,250
8.50%, 4/15/20	325	344,906
GCI, Inc., 8.63%, 11/15/19	1,100	1,155,000
ITC Deltacom, Inc., 10.50%, 4/01/16	500	492,500
Nordic Telephone Co. Holdings ApS, 8.88%,		
5/01/16 (b)	200	210,000
Qwest Communications International, Inc.:		
7.50%, 2/15/14	1,890	1,925,437
8.00%, 10/01/15 (b)	500	537,500
Series B, 7.50%, 2/15/14	1,385	1,410,969
Qwest Corp.:		
7.63%, 6/15/15	500	561,250
8.38%, 5/01/16	650	757,250
Windstream Corp.:		
8.13%, 8/01/13	400	426,500
7.88%, 11/01/17	600	609,000
	_	10,730,812
Engage Equipment 9 Sauriage 100		
Energy Equipment & Services 1.9% Compagnie Générale de Géophysique-Veritas:		
7.50%, 5/15/15	1,210	1,197,900
7.50%, 5/15/17	300	297,750
Expro Finance Luxembourg SCA, 8.50%,	300	291,130
12/15/16 (b)	1,715	1,603,525
Global Geophysical Services, Inc., 10.50%,	1,713	1,003,323
5/01/17 (b)	285	282,150
North American Energy Alliance LLC, 10.88%,	203	202,130
6/01/16 (b)	625	675,000
Thermon Industries, Inc., 9.50%, 5/01/17 (b)	500	512,500
Thermon industries, their, 7.50 %, 570 m m		312,300
		4,568,825
E. J. 9 Carola Data? and 0.00		
Food & Staples Retailing 0.9%	750	725,000
AmeriQual Group LLC, 9.50%, 4/01/12 (b)	750	735,000
Rite Aid Corp.:	200	402.750
9.75%, 6/12/16	380	403,750
10.25%, 10/15/19	580	595,950
8.00%, 8/15/20 (b)	480	477,000
		2,211,700

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY) (Percentages shown are based on Net Assets)

Corporate Bonds	Pa (00		Value
Food Products 0.5%			
B&G Foods, Inc., 7.63%, 1/15/18	USD	200	\$ 205,750
Reddy Ice Corp., 11.25%, 3/15/15 (b)		410	415,633
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		440	491,150
TreeHouse Foods, Inc., 7.75%, 3/01/18		150	158,623
			1,271,163
Health Care Equipment & Supplies 1.4%			
DJO Finance LLC, 10.88%, 11/15/14		2,255	2,415,669
Hologic, Inc., 2.00%, 12/15/37 (d)(g)		910	822,412
			3,238,08
Health Care Providers & Services 4.9%			
American Renal Holdings, 8.38%, 5/15/18 (b)		260	260,000
Gentiva Health Services, Inc., 11.50%, 9/01/18 (b)		655	677,92
HCA, Inc.:			
9.13%, 11/15/14		1,645	1,727,250
8.50%, 4/15/19		935	1,024,994
7.25%, 9/15/20		2,145	2,241,52
inVentiv Health Inc., 10.00%, 8/15/18 (b)		600	586,500
Omnicare, Inc., 7.75%, 6/01/20		465	465,000
Tenet Healthcare Corp.:			
9.00%, 5/01/15		1,717	1,828,603
10.00%, 5/01/18		622	699,750
8.88%, 7/01/19		2,010	2,173,312
			11,684,86
Health Care Technology 1.1%			
IMS Health, Inc., 12.50%, 3/01/18 (b)		2,235	2,589,800
Hotels, Restaurants & Leisure 2.3%			
Diamond Resorts Corp., 12.00%, 8/15/18 (b)		1,100	1,039,500
Enterprise Inns Plc, 6.50%, 12/06/18	GBP	388	491,129
Harrah s Operating Co., Inc., 11.25%, 6/01/17	USD	615	658,050
Inn of the Mountain Gods Resort & Casino, 12.00%,			
11/15/10 (a)(h)		1,425	623,43
Little Traverse Bay Bands of Odawa Indians, 10.25%,			
2/15/14 (a)(b)(h)		1,175	396,563
MGM Mirage, 13.00%, 11/15/13		90	103,950
MGM Resorts International:			
10.38%, 5/15/14		235	256,150
11.13%, 11/15/17		780	871,650
Marina District Finance Co., Inc., 9.88%, 8/15/18 (b)		340	339,150

3 3	,			
Travelport LLC:		145		124 400
5.16%, 9/01/14 (f)		190		134,488
9.88%, 9/01/14 Transisons Entertainment LLC, Sories WI, 0.626/		190		194,275
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(h)		315		230
Virgin River Casino Corp., 9.00%, 1/15/12 (a)(h)		805		362,250
'ingili lavel edolilo eoip., 7.00%, 1/15/12 (d)(l)		005		302,230
				5,470,822
Household Durables 3.6%				
Beazer Homes USA, Inc.:				
6.88%, 7/15/15		170		147,050
8.13%, 6/15/16		295		258,125
12.00%, 10/15/17		1,425		1,604,906
9.13%, 6/15/18		1,620		1,433,700
DFS Furniture Holdings Plc, 9.75%, 7/15/17 (b)	GBP	193		277,494
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	USD	1,620		1,571,400
Ryland Group Inc., 6.63%, 5/01/20		625		585,938
Corporate Bonds	Par (000)			Value
Household Durables (concluded)				
Standard Pacific Corp.:				
9.25%, 4/15/12	USD	125	\$	128,281
6.25%, 4/01/14		485		452,263
7.00%, 8/15/15		325		299,000
10.75%, 9/15/16		1,285		1,352,462
8.38%, 5/15/18		535		514,938
			-	8,625,557
Independent Power Producers & Energy Traders 2.9%				0,020,007
The AES Corp., 8.75%, 5/15/13 (b)		587		596,539
Calpine Construction Finance Co. LP, 8.00%,				
6/01/16 (b)		1,190		1,249,500
Energy Future Holdings Corp., 10.00%, 1/15/20 (b)		3,115		2,999,754
Energy Future Intermediate Holding Co. LLC, 10.00%,				4-4-40
12/01/20 NPG F		161		154,718
NRG Energy, Inc.:				
7.25%, 2/01/14		1,215		1,239,300
7.38%, 2/01/16		250		251,875
7.38%, 1/15/17		385		387,888
				6,879,574
Industrial Conglomerates 2.6%				
Sequa Corp. (b):				
11.75%, 12/01/15		2,190		2,255,700
13.50%, 12/01/15 (c)		3,759		3,909,102
				6,164,802
Insurance 0.9%				
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)		1,600		1,642,000
USI Holdings Corp., 4.25%, 11/15/14 (b)(f)		630		533,925
				2,175,925
				, ,

Life Sciences Tools & Services 0.2%		
Patheon, Inc., 8.63%, 4/15/17 (b)	540	537,975
Machinery 1.8%		
AGY Holding Corp., 11.00%, 11/15/14	900	765,000
Accuride Corp., 7.50%, 2/26/20 (c)(d)	9	22,842
Navistar International Corp.:		
3.00%, 10/15/14 (d)	1,750	1,909,687
8.25%, 11/01/21	1,000	1,047,500
Oshkosh Corp., 8.25%, 3/01/17	130	136,825
Titan International, Inc., 5.63%, 1/15/17 (b)(d)	220	261,800
	_	4,143,654
Marine 0.7%		
Horizon Lines, Inc., 4.25%, 8/15/12 (d)	1,985	1,667,400
Media 12.8%		
Affinion Group, Inc.:		
10.13%, 10/15/13	2,235	2,290,875
10.13%, 10/15/13	715	731,087
CCH II LLC, 13.50%, 11/30/16	502	595,301
CCO Holdings LLC (b):	• •	,
7.88%, 4/30/18	430	445,050
8.13%, 4/30/20	430	452,575
CMP Susquehanna Corp., 3.64%, 5/15/14 (b)(f)	150	3,000
CSC Holdings, Inc., 8.50%, 4/15/14	370	404,225
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(c)	555	593,850
Clear Channel Worldwide Holdings, Inc.:		,
9.25%, 12/15/17	779	808,212
Series B, 9.25%, 12/15/17	3,945	4,137,319
Cox Enterprises, Inc.:	-,-	1,201,022
Loan Close 2, 4.00%, 8/15/18	605	605,266
Loan Close 3, 8/15/18	700	700,000
Shares Loan, 4.00%, 8/15/18	714	713,688
See Notes to Financial Statements.		
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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY) (Percentages shown are based on Net Assets)

Corporate Bonds		Par (00)	Value
Media (concluded)			
DISH DBS Corp., 7.00%, 10/01/13	USD	90	\$ 93,713
Gray Television, Inc., 10.50%, 6/29/15		420	404,250
Harland Clarke Holdings Corp.:			
6.00%, 5/15/15 (f)		330	277,200
9.50%, 5/15/15		390	371,475
Intelsat Corp., 9.25%, 6/15/16		2,090	2,215,400
Interactive Data Corp., 10.25%, 8/01/18 (b)		945	980,437
Liberty Global, Inc., 4.50%, 11/15/16 (b)(d)		440	539,000
Liberty Media Corp., 3.13%, 3/30/23 (d)		1,023	1,112,512
Lighthouse International Co. SA:			
8.00%, 4/30/14	EUR	519	388,045
8.00%, 4/30/14 (b)		53	39,627
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	USD	600	579,000
McClatchy Co., 11.50%, 2/15/17 (b)		1,285	1,326,762
Nielsen Finance LLC:			
11.63%, 2/01/14		70	78,488
10.00%, 8/01/14		2,085	2,189,250
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(d)(h)		812	771,181
Rainbow National Services LLC (b):			
8.75%, 9/01/12		410	410,513
10.38%, 9/01/14		1,496	1,552,100
Regal Entertainment Group, 9.13%, 8/15/18		305	312,625
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	125	147,318
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	USD	1,120	1,069,600
UPC Germany GmbH (b):			
8.13%, 12/01/17	EUR	640	657,600
8.13%, 12/01/17		407	526,086
9.63%, 12/01/19		530	703,546
UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500	520,625
Unitymedia GmbH, 9.63%, 12/01/19	EUR	158	209,736
Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)		343	441,187
			30,397,724
Metals & Mining 4.1%			
AK Steel Corp., 7.63%, 5/15/20	USD	20	20,150
Aleris International, Inc. (a)(h):			
9.00%, 12/15/14		950	1,900
10.00%, 12/15/16		800	304
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		800	837,000
7.38%, 2/15/16		215	215,269
FMG Finance Property Ltd. (b):			
10.00%, 9/01/13		500	550,625
10.63%, 9/01/16		1,100	1,274,625
Foundation PA Coal Co., 7.25%, 8/01/14		1,850	1,854,625
Goldcorp, Inc., 2.00%, 8/01/14 (d)		615	747,994

McJunkin Red Man Corp., 9.50%, 12/15/16 (b)	565	498,612
Murray Energy Corp., 10.25%, 10/15/15 (b)	490	501,025
New World Resources NV:		
7.38%, 5/15/15	245	304,267
7.88%, 5/01/18	190	243,185
7.88%, 5/01/18 (b)	192	245,745
Novelis, Inc., 11.50%, 2/15/15	405	445,500
Ryerson, Inc.:		
7.84%, 11/01/14 (f)	380	352,450
12.00%, 11/01/15	245	252,044
Steel Dynamics, Inc., 7.38%, 11/01/12	250	265,625
United States Steel Corp., 7.38%, 4/01/20	480	486,000
Vedanta Resources Plc, 9.50%, 7/18/18 (b)	600	630,000
	_	
		9,726,945

Corporate Bonds	Par (000)	Value
Multiline Retail 2.5%		
Dollar General Corp.:		
10.63%, 7/15/15	USD 1,285	\$ 1,410,288
11.88%, 7/15/17 (c)	4,007	4,608,050
		6,018,338
Oil, Gas & Consumable Fuels 8.3%		
Arch Coal, Inc.:		
8.75%, 8/01/16	55	59,538
7.25%, 10/01/20	790	801,850
Atlas Energy Operating Co. LLC:		
12.13%, 8/01/17	450	516,938
10.75%, 2/01/18	240	264,600
Berry Petroleum Co., 8.25%, 11/01/16	470	474,700
Bill Barrett Corp., 9.88%, 7/15/16	40	43,400
Chesapeake Energy Corp.:		
6.63%, 8/15/20	2,170	2,178,137
2.25%, 12/15/38 (d)	775	580,281
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)	270	277,425
Connacher Oil and Gas Ltd. (b):		
11.75%, 7/15/14	165	179,025
10.25%, 12/15/15	1,075	1,075,000
Consol Energy, Inc., 8.25%, 4/01/20 (b)	1,825	1,936,781
Crosstex Energy LP, 8.88%, 2/15/18	375	387,188
Denbury Resources, Inc., 8.25%, 2/15/20	652	696,010
Linn Energy LLC, 8.63%, 4/15/20 (b)	1,005	1,060,275
Massey Energy Co., 6.88%, 12/15/13	865	875,812
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)	1,730	1,820,825
OPTI Canada, Inc. (b):		
9.00%, 12/15/12	1,615	1,619,037
9.75%, 8/15/13	900	888,750
Patriot Coal Corp., 8.25%, 4/30/18	380	377,150
Peabody Energy Corp., 6.50%, 9/15/20	1,000	1,051,250
Petrohawk Energy Corp.:		
10.50%, 8/01/14	530	592,275
7.88%, 6/01/15	450	466,875
QEP Resources, Inc., 6.88%, 3/01/21	430	448,275
Range Resources Corp., 8.00%, 5/15/19	400	428,000

Teekay Corp., 8.50%, 1/15/20		610	651,175
		_	19,750,572
Paper & Forest Products 2.6%			
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)		337	287,866
Boise Paper Holdings LLC:			
9.00%, 11/01/17		310	326,275
8.00%, 4/01/20		140	142,450
Clearwater Paper Corp., 10.63%, 6/15/16		370	416,250
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)		1,525	1,669,875
Glatfelter, 7.13%, 5/01/16 (b)		190	191,187
NewPage Corp., 11.38%, 12/31/14		2,930	2,380,625
Verso Paper Holdings LLC, 11.50%, 7/01/14		785	828,175
			6,242,703
Pharmaceuticals 0.6%			
Angiotech Pharmaceuticals, Inc., 4.29%,			
12/01/13 (f)		995	803,463
Elan Finance Plc, 8.88%, 12/01/13		90	90,675
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	580	617,404
		_	1,511,542
			,- ,-
Real Estate Investment Trusts (REITs) 0.6%	USD	1.500	1 274 275
iStar Financial, Inc., 5.65%, 9/15/11	บรม	1,500	1,374,375
Real Estate Management & Development 0.5%			
Forest City Enterprises, Inc., 7.63%, 6/01/15		1,325	1,209,063
See Notes to Financial Statements.			
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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY) (Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Road & Rail 0.9%		
Avis Budget Car Rental LLC, 9.63%, 3/15/18	USD 475	\$ 496,375
Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)	EUR 660	869,841
Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)	USD 750	733,125
		2,099,341
Semiconductors & Semiconductor Equipment 0.2%		
Advanced Micro Devices, Inc.:		
6.00%, 5/01/15 (d)	129	126,259
7.75%, 8/01/20 (b)	265	262,350
		388,609
Software 0.0%		
BMS Holdings, Inc., 8.59%, 2/15/12 (b)(c)(f)	445	8,906
Specialty Retail 1.6%		
Group 1 Automotive, Inc., 2.25%, 6/15/36 (d)(g)	985	749,831
Hillman Group, Inc., 10.88%, 6/01/18 (b)	490	515,725
Ltd. Brands, Inc., 8.50%, 6/15/19	745	841,850
Sonic Automotive, Inc., 9.00%, 3/15/18	345	351,038
Toys R Us-Delaware, Inc., 7.38%, 9/01/16 (b)	390	393,900
United Auto Group, Inc., 7.75%, 12/15/16	950	907,250
		3,759,594
Textiles, Apparel & Luxury Goods 0.2%		
Quiksilver, Inc., 6.88%, 4/15/15	470	434,750
Tobacco 0.1%	200	205.625
Vector Group Ltd., 11.00%, 8/15/15	300	305,625
Wireless Telecommunication Services 5.2% Cricket Communications, Inc.:		
10.00%, 7/15/15	1,795	1,880,262
7.75%, 5/15/16	336	346,920
Digicel Group Ltd. (b):	330	570,720
8.88%, 1/15/15	635	639,763
9.13%, 1/15/15 (c)	1,711	1,719,185
8.25%, 9/01/17	850	882,937
10.50%, 4/15/18	500	536,250
FiberTower Corp., 9.00%, 1/01/16 (c)	293	249,069
iPCS, Inc., 2.59%, 5/01/13 (f)	760	710,600
MetroPCS Wireless, Inc., 9.25%, 11/01/14	2,365	2,459,600

Named Communications Inc.				
Nextel Communications, Inc.:				
Series E, 6.88%, 10/31/13		1,110	1,107	
Series F, 5.95%, 3/15/14		100		5,625
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b) Sprint Capital Corp., 6.88%, 11/15/28		265 1,720	1,436	1,750
Sprint Capital Corp., 0.88%, 11/13/28		1,720	1,430	5,200
			12,316	5,386
Total Corporate Bonds 98.9%			235,210),163
Floating Rate Loan Interests (f)				
Auto Components 1.0%				
Affinion Group Holdings, Inc., Term Loan, 8.51%,		455	127	. 000
3/01/12 (c) Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14		455 2,164	1,994	5,988
runson transmission, nic., term Loan, 5.04%, 6/0//14		2,104	1,994	,150
			2,431	,144
Automobiles 1.3%				
Ford Motor Co., Tranche B-1 Term Loan, 3.03%,				
12/15/13		3,243	3,119	9,476
Building Products 1.2%				
CPG International I, Inc., Term Loan, 5.54%, 2/28/11		2,940	2,939	,698
Floating Rate Loan Interests (f)		Par 000)	Value	
			Value	
Floating Rate Loan Interests (f) Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan,			Value	
Capital Markets 0.1%				1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14	(000)		
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2%	(000)		
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14	(000)	\$ 261	
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14	(377	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7%	(377	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14	(377	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%,	(377 406	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17	(377 406	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8%	(377 406	\$ 261	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien),	USD	377 406 1,750	\$ 261 371 1,750	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 Health Care Providers & Services 0.8% Harden Healthcare LLC:	USD	377 406 1,750 3,350	\$ 261 371 1,750 4,236	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 Health Care Providers & Services 0.8% Harden Healthcare LLC: Add-on Term Loan, 7.75%, 3/02/15	USD	377 406 1,750 3,350	\$ 261 371 1,750 4,236	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 Health Care Providers & Services 0.8% Harden Healthcare LLC: Add-on Term Loan, 7.75%, 3/02/15 Tranche A Term Loan, 8.50%, 2/22/15	USD	377 406 1,750 3,350	\$ 261 371 1,750 4,236	1,513
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 Health Care Providers & Services 0.8% Harden Healthcare LLC: Add-on Term Loan, 7.75%, 3/02/15 Tranche A Term Loan, 8.50%, 2/22/15 inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term	USD	377 406 1,750 3,350 500 436	\$ 261 371 1,750 4,236	1,513 1,090 0,000 0,000 0,000 7,280
Capital Markets 0.1% Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 Chemicals 0.2% PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 Construction & Engineering 0.7% Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 Diversified Telecommunication Services 1.8% Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 Health Care Providers & Services 0.8% Harden Healthcare LLC: Add-on Term Loan, 7.75%, 3/02/15 Tranche A Term Loan, 8.50%, 2/22/15	USD	377 406 1,750 3,350	\$ 261 371 1,750 4,236	1,513 1,090 0,000 5,667

Hotels, Restaurants & Leisure 1.2%			
Travelport LLC (FKA Travelport, Inc.), Loan, 8.37%, 3/27/12 (c)		3,121	2,902,582
IT Services 0.4%			
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14		47	39,964
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14		380	323,556
Initial Tranche B-3 Term Loan, 3.01%, 9/24/14		743	633,782
			997,302
Independent Power Producers & Energy Traders 1.0%			
Texas Competitive Electric Holdings Co., LLC (TXU):			
Initial Tranche B-1 Term Loan, 3.79% 4.03%, 10/10/14		205	155,503
Initial Tranche B-2 Term Loan, 3.79% 4.07%,		203	155,505
10/10/14		296	224,518
Initial Tranche B-3 Term Loan, 3.79% 4.03%, 10/10/14		2,558	1,928,166
		_	
			2,308,187
Media 1.6%			
Cengage Learning Acquisitions, Inc. (Thomson			
Learning), Tranche 1 Incremental Term Loan,			
7.50%, 7/03/14		1,470	1,465,100
HMH Publishing Co., Ltd., Tranche A Term Loan,		002	904 102
5.79%, 6/12/14 (c) Newsday, LLC, Fixed Rate Term Loan, 10.50%,		883	804,193
8/01/13		1,375	1,459,219
0/01/13		1,575	1,437,217
			3,728,512
Multiline Retail 0.6%			_
Hema Holding BV, Mezzanine, 9.15%, 1/29/17 (c)	EUR	1,043	1,216,042
The Neiman Marcus Group, Inc., Term Loan,		2,0 12	-,,
2.30%, 4/06/13	USD	225	213,631
		_	1,429,673
Oil, Gas & Consumable Fuels 1.3%			
Tronox Worldwide LLC:		1 104	1 110 407
Tranche B-1 Term Loan, 11.25%, 9/20/10 Tranche B 2 Term Loan, 11.25%, 9/20/10		1,104 296	1,112,496 298,879
Tranche B-2 Term Loan, 11.25%, 9/20/10 Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (c)		2,216	
Turoo Deta Liu., Donai Facinty, 14.30%, 3/13/18 (C)		∠,∠10 –	1,756,268
			3,167,643

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY) (Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)		Par (00)		Value
Paper & Forest Products 0.3%				
Verso Paper Finance Holdings LLC, PIK Loan,				
6.69% 7.44%, 2/01/13 (c)	USD	1,240	\$	743,985
Real Estate Management & Development 0.6%				
Realogy Corp.:				
Initial Term Loan B, 3.30% 3.53%, 10/10/13		373		322,075
Synthetic Letter of Credit, 0.11%, 10/10/13		75		64,760
Second Lien Term Facility, 13.50%, 10/15/17		925	_	975,875
				1,362,710
Specialty Retail 0.2%				
Claire s Stores, Inc., Term Loan B, 3.01% 3.23%,				
5/29/14		133		113,398
Michaels Stores, Inc., Term Loan B-1, 2.63% 2.81%,				
10/31/13		331		312,138
				425,536
Total Floating Rate Loan Interests 14.3%				33,991,310
Total Floating Rate Loan Interests 14.3% Other Interests (i)		Beneficial Interest (000)		
Other Interests (i)		Interest		
Other Interests (i) Auto Components 1.9%		Interest		
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP		Interest (000)		33,991,310
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP		Interest		33,991,310
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests Media 0.0%		Interest (000)		33,991,310 4,553,557
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests Media 0.0% Adelphia Escrow		(000) (j)		33,991,310 4,553,557
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests Media 0.0% Adelphia Escrow		Interest (000)		33,991,310 4,553,557
Other Interests (i) Auto Components 1.9% Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests		(000) (j)		

Preferred Stocks	Shares	
Diversified Financial Services 0.9% Ally Financial Inc., 7.00% (b)	2,674	2,208,808
Household Durables 0.1% Beazer Homes USA, Inc., 7.50% (d)	5,000	99,050
Media 0.0% CMP Susquehanna Radio Holdings Corp. (a)(b)(f)	34,982	
Total Preferred Stocks 1.0%		2,307,858
Warrants (k)		
Health Care Providers & Services 0.0% HealthSouth Corp. (Expires 1/16/14)	29,930	1
Media 0.0% CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b) New Vision Holdings LLC (Expires 9/30/14)	39,975 14,965	150
Oil, Gas & Consumable Fuels 0.0% Turbo Cayman Ltd. (No Expiration)	1	
Software 0.0% HMH Holdings/EduMedia (Expires 3/09/17)	9,997	
Total Warrants 0.0%	151	
Total Long-Term Investments (Cost \$285,578,895) 118.0%		280,727,944
Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempCash, Institutional Class, 0.27% (l)(m)	322,368	\$ 322,368
Total Short-Term Securities (Cost \$322,368) 0.1%		322,368
Options Purchased	Contracts	
Over-the-Counter Call Options 0.0% Marsico Parent Superholdco LLC, Strike Price USD 942-86, expires 12/21/19, Broker	17	

USD 942.86, expires 12/21/19, Broker

Goldman Sachs Bank USA

Total Options Purchased (Cost \$16,622) 0.0%	
Total Investments (Cost \$285,917,885*) 118.1% Liabilities in Excess of Other Assets (18.1)%	281,050,312 (43,199,176)
Net Assets 100.0%	\$ 237,851,136

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 287,104,524
Gross unrealized appreciation	\$ 13,346,589
Gross unrealized depreciation	(19,400,801)
Net unrealized depreciation	\$ (6,054,212)

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (d) Convertible security.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Amount is less than \$1,000.
- (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, if any.
- (l) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	Shares Held at		Shares Held at	
	February 28,	Net	August 31,	
Affiliate	2010	Activity	2010	Income

BlackRock Liquidity Funds, TempFund, Institutional Class

Institutional Class 4,931,674 (4,609,306) 322,368 \$ 2,350

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

See Notes to Financial Statements.

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BlackRock Corporate High Yield Fund, Inc. (COY)

Foreign currency exchange contracts as of August 31, 2010 were as follows:

Curre Purch	•	(Currency Sold	Counterparty	Settlement Date	Ард	nrealized preciation preciation)
EUR	763,800	USD	980,728	Citibank NA	9/15/10	\$	(12,823)
USD	16,539,551	EUR	13,056,000	Citibank NA	9/15/10		(5,315)
USD	489,452	EUR	385,000	Deutsche Bank AG	9/15/10		1,571
USD	179,941	CAD	190,000	Deutsche Bank AG	10/20/10		1,906
GBP	114,000	USD	177,834	UBS AG	10/20/10		(3,059)
USD	2,115,757	GBP	1,386,000	Citibank NA	10/20/10		(9,141)
USD	293,808	GBP	192,500	Deutsche Bank AG	10/20/10		(1,317)
USD	178,806	GBP	116,000	Royal Bank of Scotland Plc	10/20/10		964
Total						\$	(27,214)

Financial futures contracts sold as of August 31, 2010 were as follows:

Contracts	Issue	Exchange	Expiration Date	Notional Value	Unrealized Appreciation
26	S&P 500 Index	Chicago Mercantile	September 2010	\$ 6,922,729	\$ 108,779

Credit default swaps on single-name issuers buy protection outstanding as of August 31, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)			
iStar Financial, Inc.	5.00%	Morgan Stanley Capital Services, Inc.	September 2011	\$	1,500	\$	35,889
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2011	\$	475		28,246

K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2013	\$ 925	155,858
Louisiana- Pacific Corp.	5.00%	JPMorgan Chase Bank NA	March 2014	\$ 500	(106,314)
Total					\$ 113,679

Credit default swaps on single-name issuers sold protection outstanding as of August 31, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Amount Appreci		Amount		nrealized preciation preciation)
Texas Competitive Electric Holdings Co. LLC	5.00%	Goldman Sachs International	September 2012	CCC	\$	475	\$	(42,756)
Realogy Corp.	5.00%	Credit Suisse International	March 2015	С	\$	100		699
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	March 2015	C	\$	450		(15,573)
Advanced Micro Devices, Inc.	5.00%	JPMorgan Chase Bank NA	March 2015	B+	\$	550		(6,161)
Levi Strauss & Co.	5.00%	Citibank NA	June 2015	B+	\$	360		221
NOVA Chemicals Corp.	5.00%	Goldman Sachs International	June 2015	B+	\$	350		(6,416)
Levi Strauss & Co.	5.00%	Goldman Sachs International	September 2015	B+	\$	500		
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	September 2015	С	\$	125		(450)
Total							\$	(70,436)

Using Standard & Poor s rating of the issuer.

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. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives, which are as follows:

The maximum potential amount the Fund may pay should a negative credit take place as defined under the terms of the agreement.

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund s policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financia	al Statements.	
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BlackRock Corporate High Yield Fund, Inc. (COY)

The following tables summarize the inputs used as of August 31, 2010 in determining the fair valuation of the Fund s investments and derivatives:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities:				
Long-Term Investments:				
Common Stocks	\$ 4,022,995	\$ 222,335	\$ 415,993	\$ 4,661,323
Corporate Bonds		230,198,853	5,011,310	235,210,163
Floating Rate Loan Interests		22,125,725	11,865,585	33,991,310
Other Interests		4,553,557	3,582	4,557,139
Preferred Stocks	2,307,858			2,307,858
Warrants			151	151
Short-Term Securities	322,368			322,368
Liabilities:				
Unfunded Loan Commitments			(21,252)	(21,252)
Total	\$ 6,653,221	\$ 257,100,470	\$ 17,275,369	\$ 281,029,060

Derivative Financial Instruments¹

Valuation Inputs	Level 1	Level 2	Level 3	Total	
Assets:					
Credit contracts		\$ 220,913		\$	220,913
Equity contracts	\$ 108,779				108,779
Foreign currency exchange contracts		4,441			4,441
Liabilities:					
Credit contracts		(177,670)			(177,670)
Foreign currency exchange contracts		(31,655)			(31,655)
Total	\$ 108,779	\$ 16,029		\$	124,808

Derivative financial instruments are financial futures contracts, swaps and foreign currency exchange contracts. Financial futures contracts, swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

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

Warrants Total

	Common Stocks	Corporate Bonds	oating Rate oan Interests	Other Interests		nfunded Loan nmitments	_
Assets/Liabilities:							
Balance, as of February 28, 2010	\$ 75,096	\$ 3,961,360	\$ 19,218,811	\$ 4,212,670	\$ 150	\$ (51,643)	\$ 27,416,444
Accrued discounts/premiums		12,626	79,364				91,990
Net realized gain (loss)		5,192	215,474	311,075	22,463		554,204
Net change in unrealized							
appreciation/depreciation ²	8,805	(138,594)	852,238	323,519	1	30,391	1,076,360
Purchases		34,239	8,418,054	319,000			8,771,293
Sales			(13,176,786)	(609,125)	(22,463)		(13,808,374)
Transfers in ³	415,922	1,390,000	917,280				2,723,202
Transfers out ³	(83,830)	(253,513)	(4,658,850)	(4,553,557)			(9,549,750)
Balance, as of August 31, 2010	\$ 415,993	\$ 5,011,310	\$ 11,865,585	\$ 3,582	\$ 151	\$ (21,252)	\$ 17,275,369

Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on August 31, 2010 was \$249,870.

See Notes to Financial Statements.

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The Fund s policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

Schedule of Investments August 31, 2010 (Unaudited)

BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Building Products 0.1%		
Masonite Worldwide Holdings (a)	5,365 \$	203,870
Capital Markets 0.1%		
E*Trade Financial Corp. (a)	29,600	367,336
Chemicals 0.2%		
LyondellBasell Industries NV, Class A (a)	6,388	130,954
LyondellBasell Industries NV, Class B (a)	18,485	378,758
Wellman Holdings, Inc. (a)	1,522	76
		509,788
Commercial Services & Supplies 0.1%		
Air Lease Corp. (a)(b)	12,900	258,000
Communications Equipment 0.5%		
Loral Space & Communications Ltd. (a)	25,022	1,339,678
Construction Materials 0.0%		
Nortek, Inc. (a)	2,145	89,017
Diversified Financial Services 0.0%		
Citigroup, Inc. (a)	1	4
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	70,784	2,194
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (a)	1,099	4,616
Household Durables 0.2%		
Beazer Homes USA, Inc. (a)	153,500	531,110
Machinery 0.2%		
Accuride Corp., Restricted Shares (a)	90,983	100,081
Navistar International Corp. (a)	9,400	393,672
		493,753
Media 0.7%		
Charter Communications, Inc. (a)	16,555	562,870
Gannett Co., Inc.	44,700	540,423
Gray Television, Inc. (a)	162,000	299,700
Sinclair Broadcast Group, Inc., Class A (a)	50,000	299,000

	_	
		1,701,993
Paper & Forest Products 0.3%		
Ainsworth Lumber Co. Ltd. (a)	122,117	286,297
Ainsworth Lumber Co. Ltd. (a)(b)	140,415	329,195
Western Forest Products, Inc. (a)	158,023	43,716
Western Forest Products, Inc. (a)(b)	45,762	12,660
		671,868
Semiconductors & Semiconductor Equipment 0.0%		
SunPower Corp., Class B (a)	778	8,044
Software 0.3%		
HMH Holdings/EduMedia (a)	90,514	452,570
TiVo, Inc. (a)	26,525 -	208,487
		661,057
Wireless Telecommunication Services 0.1%		
FiberTower Corp. (a)	76,542	274,786
Total Common Stocks 2.8%		7,117,114
Corporate Bonds	Par (000)	Value
Acusanaga P. Dafanga O Alli		
Aerospace & Defense 0.4 % Bombardier, Inc., 7.75%, 3/15/20 (b)	USD 200 \$	215,000
DynCorp International, Inc., 10.38%, 7/01/17 (b)	230 g	228,850
Kratos Defense & Security Solutions, Inc.,	230	220,030
10.00%, 6/01/17	540	557,550
0.00%, 6/01/17		337,330
	_	1,001,400
Air Freight & Logistics 0.6%	-	
Air Freight & Logistics 0.6% National Air Cargo Group, Inc.:		
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15	755	1,001,400 755,000
National Air Cargo Group, Inc.:	755 755	1,001,400
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15		1,001,400 755,000
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9%		755,000 755,000
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b):	755	1,001,400 755,000 755,000 1,510,000
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15	1,060	1,001,400 755,000 755,000 1,510,000 1,038,800
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16	1,060 280	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b)	1,060	1,001,400 755,000 755,000 1,510,000 1,038,800
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series	1,060 280 940	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800 998,750
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13	1,060 280	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13 Continental Airlines, Inc.:	1,060 280 940 400	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800 998,750 418,600
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13 Continental Airlines, Inc.: 6.75%, 9/15/15 (b)	1,060 280 940 400	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800 998,750 418,600 623,700
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13 Continental Airlines, Inc.: 6.75%, 9/15/15 (b) Series 1997-4-B, 6.90%, 7/02/18 (c)	1,060 280 940 400 630 522	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800 998,750 418,600 623,700 508,827
National Air Cargo Group, Inc.: Series 1, 12.38%, 8/16/15 Series 2, 12.38%, 8/16/15 Airlines 2.9% Air Canada (b): 9.25%, 8/01/15 12.00%, 2/01/16 American Airlines, Inc., 10.50%, 10/15/12 (b) American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13 Continental Airlines, Inc.: 6.75%, 9/15/15 (b)	1,060 280 940 400	1,001,400 755,000 755,000 1,510,000 1,038,800 261,800 998,750 418,600 623,700

		_	
			7,518,134
Auto Components 1.5%			_
Allison Transmission, Inc. (b):			
11.00%, 11/01/15		230	247,250
11.25%, 11/01/15 (d)		177	190,275
Delphi International Holdings Unsecured,			
12.00%, 10/06/14		91	89,282
The Goodyear Tire & Rubber Co.:			
8.25%, 8/15/20		440	450,450
8.75%, 8/15/20		250	264,375
Icahn Enterprises LP:			
4.00%, 8/15/13 (b)(e)(f)		255	232,050
8.00%, 1/15/18		2,470	2,457,650
		_	3,931,332
D			
Beverages 0.1% Cott Beverages USA, Inc., 8.13%, 9/01/18 (b)		264	271,590
Crown European Holdings SA, 7.13%, 8/15/18 (b)	EUR	245	318,238
Crown European Holdings SA, 7.15%, 8/15/16 (b)	EUK	243 —	310,236
			589,828
Biotechnology 0.2%			
QHP Pharma, 10.25%, 3/15/15 (b)	USD	591	602,400
Building Products 1.5%			_
Associated Materials LLC, 9.88%, 11/15/16		770	816,200
Building Materials Corp. of America (b):		770	010,200
6.88%, 8/15/18		530	515,425
7.00%, 2/15/20		620	616,900
Momentive Performance Materials, Inc., Series WI,		020	010,500
9.75%, 12/01/14		735	717,544
Ply Gem Industries, Inc., 11.75%, 6/15/13		1,180	1,215,400
		_	3,881,469
			3,001,103
Capital Markets 0.7%			
E*Trade Financial Corp. (e)(g):			
3.39%, 8/31/19 (b)		244	292,800
Series A, 3.64%, 8/31/19		7	8,400
MU Finance Plc, 8.75%, 2/01/17 (b)	GBP	422	621,312
See Notes to Financial Statements.			
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BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Corporate Bonds	Pa (00		Value
Capital Markets (concluded)			
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	USD	963	\$ 356,310
Marsico Parent Holdco, LLC, 12.50%,			
7/15/16 (b)(d)		272	24,452
Marsico Parent Superholdco, LLC, 14.50%,			
1/15/18 (b)(d)		289	26,008
Offshore Group Investments Ltd., 11.50%,			
8/01/15 (b)		520	518,700
			 1,847,982
Chemicals 3.5%			
American Pacific Corp., 9.00%, 2/01/15		880	870,100
CF Industries, Inc.:			,
6.88%, 5/01/18		440	463,100
7.13%, 5/01/20		780	836,550
Chemtura Corp., 7.88%, 9/01/18 (b)		530	541,262
Georgia Gulf Corp., 9.00%, 1/15/17 (b)		165	170,981
Hexion U.S. Finance Corp.:			2,0,202
9.75%, 11/15/14		790	776,175
8.88%, 2/01/18		765	707,625
Huntsman International LLC (b):		, 00	707,020
6.88%, 11/15/13		280	349,508
8.63%, 3/15/20		235	232,944
Ineos Finance Plc, 9.00%, 5/15/15 (b)		420	424,725
Innophos, Inc., 8.88%, 8/15/14		825	845,625
MacDermid, Inc., 9.50%, 4/15/17 (b)		1,260	1,277,325
OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)		555	585,525
Wellman Holdings, Inc., Subordinate Note (e):			200,020
(Second Lien), 10.00%, 1/29/19 (b)		844	734,280
(Third Lien), 5.00%, 1/29/19 (d)		276	107,749
(Time 210h), 5.00%, 112717 (a)		270	 107,715
			8,923,474
Commercial Banks 3.1%			
CIT Group, Inc.:			
7.00%, 5/01/16		3,076	2,922,662
7.00%, 5/01/17		5,170	4,861,488
Glitnir Banki HF (a)(h):			
4.15%, 4/20/10 (b)		111	31,635
6.38%, 9/25/12 (b)		500	142,500
Series EMTN, 5.07%, 1/27/10	EUR	50	17,741
Series EMTN, 3.00%, 6/30/10		45	15,967
Series GMTN, 4.38%, 2/05/10		50	17,742
			8,009,735

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Commercial Services & Supplies 1.0%			
ACCO Brands Corp., 10.63%, 3/15/15	USD	250	275,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		585	637,650
Scientific Games International, Inc.,			
9.25%, 6/15/19		230	243,800
West Corp., 11.00%, 10/15/16		1,290	1,354,500
			2,510,950
Construction Materials 1.0%		• • • •	
Nortek, Inc., 11.00%, 12/01/13		2,395	2,523,239
Consumer Finance 1.0%			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)		680	704,650
Ford Motor Credit Co. LLC:		015	210.700
3.28%, 1/13/12 (f)		215	210,700
7.80%, 6/01/12		200	210,468
8.00%, 12/15/16 6.63%, 8/15/17		180 1,260	195,468 1,280,629
0.03 %, 6/13/17		1,200	1,260,029
			2,601,915
	Pai	r	
Corporate Bonds	(000))	Value
Containers & Packaging 3.2%			
Ball Corp., 6.75%, 9/15/20	USD	525 \$	552,562
Berry Plastics Corp.:			
8.88%, 9/15/14		810	771,525
8.25%, 11/15/15		135	135,338
9.50%, 5/15/18 (b)		435	400,200
Berry Plastics Holding Corp., 8.88%, 9/15/14		2,470	2,352,675
Graphic Packaging International, Inc.,		0.40	904 606
9.50%, 6/15/17		840	894,600
Impress Holdings BV, 3.65%, 9/15/13 (b)(f)		420	396,900
Owens-Brockway Glass Container, Inc.,	EIID	155	198,388
6.75%, 12/01/14 Provis Corp. 12 28%, 10/15/12	EUR USD	155	1,200,000
Pregis Corp., 12.38%, 10/15/13 Smurfit Kappa Acquisitions (b):	USD	1,200	1,200,000
7.25%, 11/15/17		495	639,835
7.75%, 11/15/19		470	610,498
		_	8,152,521
Discoving a Communication of the Communication of t			
Diversified Consumer Services 1.2% Service Corp. International, 7.00%, 6/15/17		3,000	3,105,000
Diversified Financial Services 6.9% Ally Financial Inc. (b):			
8.30%, 2/12/15		1,990	2,069,600
7.50%, 9/15/20		1,910	1,890,900
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		995	996,244
FCE Bank Plc:			
7.88%, 2/15/11		700	1,086,973
7.13%, 1/16/12		1,800	2,360,888
7.13%, 1/15/13		1,050	1,377,184
GMAC, Inc.:		200	285.050
7.50% 12/31/13		280	205.050

7.50%, 12/31/13

2.74%, 12/01/14 (f)

285,950

338,732

280

394

8.00%, 3/15/20 (b)	3,180	3,259,500
Leucadia National Corp., 8.13%, 9/15/15	1,175	1,251,375
Reynolds Group DL Escrow, Inc., 7.75%,		
10/15/16 (b)	1,460	1,470,950
Reynolds Group Issuer, Inc. (b):		
7.75%, 10/15/16	400	514,499
8.50%, 5/15/18	775	744,000
	-	_
		17,646,795
Diversified Telecommunication Services 4.5%		
Broadview Networks Holdings, Inc., 11.38%, 9/01/12	1,035	1,014,300
Frontier Communications Corp.:		
7.88%, 4/15/15	630	664,650
8.25%, 4/15/17	800	846,000
8.50%, 4/15/20	350	371,438
GCI, Inc., 8.63%, 11/15/19	1,200	1,260,000
ITC Deltacom, Inc., 10.50%, 4/01/16	540	531,900
Nordic Telephone Co. Holdings ApS, 8.88%,		
5/01/16 (b)	215	225,750
Qwest Communications International, Inc.:		
7.50%, 2/15/14	2,020	2,057,875
8.00%, 10/01/15 (b)	600	645,000
Series B, 7.50%, 2/15/14	1,450	1,477,187
Qwest Corp.:		
7.63%, 6/15/15	525	589,312
8.38%, 5/01/16	680	792,200
Windstream Corp.:		
8.13%, 8/01/13	460	490,475
7.88%, 11/01/17	630	639,450
	_	11,605,537

See Notes to Financial Statements.

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BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Energy Equipment & Services 1.9%		
Compagnie Générale de Géophysique-Veritas:		
7.50%, 5/15/15	USD 1,315	\$ 1,301,850
7.75%, 5/15/17	320	317,600
Expro Finance Luxembourg SCA, 8.50%,		
12/15/16 (b)	1,835	1,715,725
Global Geophysical Services, Inc., 10.50%,		
5/01/17 (b)	310	306,900
North American Energy Alliance LLC, 10.88%,		
6/01/16 (b)	665	718,200
Thermon Industries, Inc., 9.50%, 5/01/17 (b)	555	568,875
		4,929,150
Food & Staples Retailing 0.9%		
AmeriQual Group LLC, 9.50%, 4/01/12 (b)	800	784,000
Rite Aid Corp.:		
9.75%, 6/12/16	410	435,625
10.25%, 10/15/19	670	688,425
8.00%, 8/15/20 (b)	530	526,688
		2,434,738
Food Products 0.5%		
B&G Foods, Inc., 7.63%, 1/15/18	220	226,325
Reddy Ice Corp., 11.25%, 3/15/15 (b)	440	446,050
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	460	513,475
TreeHouse Foods, Inc., 7.75%, 3/01/18	160	169,200
		1,355,050
Health Care Equipment & Supplies 1.4%		
DJO Finance LLC, 10.88%, 11/15/14	2,455	2,629,919
Hologic, Inc., 2.00%, 12/15/37 (e)(i)	955	863,081
		3,493,000
Health Care Providers & Services 4.9%		
American Renal Holdings, 8.38%, 5/15/18 (b)	280	280,000
Gentiva Health Services, Inc., 11.50%, 9/01/18 (b)	710	734,850
HCA, Inc.:		
9.13%, 11/15/14	1,785	1,874,250
8.50%, 4/15/19	1,020	1,118,175
7.25%, 9/15/20	2,315	2,419,175
inVentiv Health Inc., 10.00%, 8/15/18 (b)	650	635,375
Omnicare, Inc., 7.75%, 6/01/20	500	500,000

Tenet Healthcare Corp.:					
9.00%, 5/01/15			1,799		1,915,935
10.00%, 5/01/18			644		724,500
8.88%, 7/01/19			2,279		2,464,169
0.00%, 7/01/17			2,21)		2,404,107
					12,666,429
Health Care Technology 1.1%					
IMS Health, Inc., 12.50%, 3/01/18 (b)			2,405		2,786,794
Hotels, Restaurants & Leisure 2.3%					
Diamond Resorts Corp., 12.00%, 8/15/18 (b)			1,190		1,124,550
Enterprise Inns Plc, 6.50%, 12/06/18		GBP	425		537,963
Harrah s Operating Co., Inc., 11.25%, 6/01/17		USD	660		706,200
Inn of the Mountain Gods Resort & Casino,					Í
12.00%, 11/15/10 (a)(h)			1,550		678,125
Little Traverse Bay Bands of Odawa Indians,			,		,
10.25%, 2/15/14 (a)(b)(h)			1,290		435,375
MGM Mirage, 13.00%, 11/15/13			110		127,050
MGM Resorts International:					.,
10.38%, 5/15/14			255		277,950
11.13%, 11/15/17			820		916,350
Marina District Finance Co., Inc., 9.88%,			020		310,550
8/15/18 (b)			370		369,075
					,
		P	ar		
Corporate Bonds		(00	00)		Value
Hotels, Restaurants & Leisure (concluded)					
Travelport LLC:					
5.16%, 9/01/14 (f)		USD	160	\$	148,400
9.88%, 9/01/14			210		214,725
Tropicana Entertainment LLC, Series WI, 9.63%,					
12/15/14 (a)(h)			305		223
Virgin River Casino Corp., 9.00%, 1/15/12 (a)(h)			940		423,000
1, , , , , , , , , , , , , , , , , , ,					
					5,958,986
H					
Household Durables 3.5%					
Beazer Homes USA, Inc.:			105		160,025
6.88%, 7/15/15 8.13%, 6/15/16			185 315		275,625
12.00%, 10/15/17			1,345		1,514,806
9.13%, 6/15/18			1,770		1,566,450
DFS Furniture Holdings Plc, 9.75%, 7/15/17 (b)		GBP	208		299,061
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16		USD	1,725		1,673,250
Ryland Group Inc., 6.63%, 5/01/20		USD	675		632,812
Standard Pacific Corp.:			073		032,812
9.25%, 4/15/12			135		138,544
6.25%, 4/01/14					130,344
0.23 /0, 4/01/14					340 363
7.00% 8/15/15			365		340,363
7.00%, 8/15/15			365 265		243,800
10.75%, 9/15/16			365 265 1,390		243,800 1,462,975
			365 265		243,800
10.75%, 9/15/16			365 265 1,390	_	243,800 1,462,975
10.75%, 9/15/16 8.38%, 5/15/18	2.8%		365 265 1,390	_	243,800 1,462,975 582,313
10.75%, 9/15/16 8.38%, 5/15/18 Independent Power Producers & Energy Traders	2.8%		365 265 1,390		243,800 1,462,975 582,313 8,890,024
10.75%, 9/15/16 8.38%, 5/15/18	2.8%		365 265 1,390 605	_	243,800 1,462,975 582,313
10.75%, 9/15/16 8.38%, 5/15/18 Independent Power Producers & Energy Traders The AES Corp., 8.75%, 5/15/13 (b)	2.8%		365 265 1,390 605		243,800 1,462,975 582,313 8,890,024

Energy Future Holdings Corp., 10.00%, 1/15/20 (b)	3,395	3,269,395
Energy Future Intermediate Holding Co. LLC,	17.4	167.011
10.00%, 12/01/20	174	167,211
NRG Energy, Inc.: 7.25%, 2/01/14	1,275	1,300,500
7.25%, 2/01/14	270	272,025
7.38%, 1/15/17	400	403,000
7.50%, 1715/17		103,000
		7,192,444
Industrial Conglomerates 2.5%		
Sequa Corp. (b):		
11.75%, 12/01/15	2,340	2,410,200
13.50%, 12/01/15 (d)	3,954	4,112,171
		6,522,371
Insurance 0.9%		
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,700	1,744,625
USI Holdings Corp., 4.25%, 11/15/14 (b)(f)	680	576,300
	_	2,320,925
Leisure Equipment & Products 0.4%		
Brunswick Corp., 11.25%, 11/01/16 (b)	795	908,288
Life Sciences Tools & Services 0.2%		
Patheon, Inc., 8.63%, 4/15/17 (b)	585	582,806
Machinery 1.7%		
AGY Holding Corp., 11.00%, 11/15/14	980	833,000
Accuride Corp., 7.50%, 2/26/20 (d)(e)	10	24,627
Navistar International Corp.:		
3.00%, 10/15/14 (e)	1,900	2,073,375
8.25%, 11/01/21	1,000	1,047,500
Oshkosh Corp., 8.25%, 3/01/17	140	147,350
Titan International, Inc., 5.63%, 1/15/17 (b)(e)	240	285,600
		4,411,452
Marine 0.7%	-	
Horizon Lines, Inc., 4.25%, 8/15/12 (e)	2,230	1,873,200

See Notes to Financial Statements.

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BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Media 12.7%		
Affinion Group, Inc.:		
10.13%, 10/15/13	USD 2	2,445 \$ 2,506,125
10.13%, 10/15/13		765 782,212
CCH II LLC, 13.50%, 11/30/16		543 643,098
CCO Holdings LLC (b):		, , , , , , , , , , , , , , , , , , ,
7.88%, 4/30/18		470 486,450
8.13%, 4/30/20		470 494,675
CMP Susquehanna Corp., 3.64%, 5/15/14 (b)(f)		160 3,200
CSC Holdings, Inc., 8.50%, 4/15/14		390 426,075
Catalina Marketing Corp., 10.50%, 10/01/15 (b)(d)		610 652,700
Clear Channel Worldwide Holdings, Inc.:		, , , , , , , , , , , , , , , , , , , ,
9.25%, 12/15/17		835 866,312
Series B, 9.25%, 12/15/17	2	4,240 4,446,700
Cox Enterprises, Inc.:		, , , , , , , , , , , , , , , , , , , ,
Loan Close 2, 4.00%, 8/15/18		636 635,530
Loan Close 3, 4.00%, 8/15/18		735 735,000
Shares Loan, 4.00%, 8/15/18		749 749,372
DISH DBS Corp., 7.00%, 10/01/13		90 93,713
Gray Television, Inc., 10.50%, 6/29/15		455 437,938
Harland Clarke Holdings Corp.:		10.7,200
6.00%, 5/15/15 (f)		350 294,000
9.50%, 5/15/15		420 400,050
Intelsat Corp., 9.25%, 6/15/16	2	2,120 2,247,200
Interactive Data Corp., 10.25%, 8/01/18 (b)		1,030 1,068,625
Liberty Global, Inc., 4.50%, 11/15/16 (b)(e)		470 575,750
Liberty Media Corp., 3.13%, 3/30/23 (e)	1	1,113 1,210,387
Lighthouse International Co. SA:		1,210,007
8.00%, 4/30/14	EUR	546 408,232
8.00%, 4/30/14 (b)	Zen	67 50,094
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	USD	650 627,250
McClatchy Co., 11.50%, 2/15/17 (b)		1,395 1,440,337
Nielsen Finance LLC:		1,110,557
11.63%, 2/01/14		180 201,825
10.00%, 8/01/14	2	2,145 2,252,250
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(h)	_	850 807,410
Rainbow National Services LLC (b):		007,110
8.75%, 9/01/12		440 440,550
10.38%, 9/01/14	1	1,582 1,641,325
Regal Entertainment Group, 9.13%, 8/15/18		335 343,375
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	136 160,282
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)		1,330 1,270,150
UPC Germany GmbH (b):		1,270,130
8.13%, 12/01/17		755 775,762
8.13%, 12/01/17	EUR	441 570,035
9.63%, 12/01/19	Lor	570 756,644
UPC Holding BV, 9.88%, 4/15/18 (b)	USD	500 520,625
Unitymedia GmbH, 9.63%, 12/01/19	EUR	168 223,011
Omeymodia Omori, 7.05 /0, 12/01/17	EUK	100 223,011

Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)		388		499,069	
				32,743,338	
Metals & Mining 4.0%					
AK Steel Corp., 7.63%, 5/15/20	USD	20		20,150	
Aleris International, Inc. (a)(h):					
9.00%, 12/15/14		1,035		2,070	
10.00%, 12/15/16		800		304	
Drummond Co., Inc.:					
9.00%, 10/15/14 (b)		875		915,469	
7.38%, 2/15/16		225		225,281	
FMG Finance Property Ltd. (b):					
10.00%, 9/01/13		535		589,169	
10.63%, 9/01/16		1,180		1,367,325	
Foundation PA Coal Co., 7.25%, 8/01/14		1,975		1,979,937	
GoldCorp, Inc., 2.00%, 8/01/14 (e)		665		808,806	
McJunkin Red Man Corp., 9.50%, 12/15/16 (b)		605		533,913	
Murray Energy Corp., 10.25%, 10/15/15 (b)		520		531,700	
Corporate Bonds		Par ()00)		Value	
	`				
Metals & Mining (concluded)					
New World Resources NV:	ELID	255	Ф	217.707	
7.38%, 5/15/15	EUR	255	\$	316,686	
7.88%, 5/01/18		190		243,185	
7.88%, 5/01/18 (b)	Hab	210		268,784	
Novelis, Inc., 11.50%, 2/15/15	USD	430		473,000	
Ryerson, Inc.:		400		251 000	
7.84%, 11/01/14 (f)		400		371,000	
12.00%, 11/01/15		265		272,619	
Steel Dynamics, Inc., 7.38%, 11/01/12		260		276,250	
United States Steel Corp., 7.38%, 4/01/20		520		526,500	
Vedanta Resources Plc, 9.50%, 7/18/18 (b)		640		672,000	
				10,394,148	
Multiline Retail 2.5%					
Dollar General Corp.:					
10.63%, 7/15/15		1,393		1,528,817	
11.88%, 7/15/17 (d)		4,351		5,003,650	
				6,532,467	
Oil, Gas & Consumable Fuels 8.3%					
Arch Coal, Inc.:					
8.75%, 8/01/16		55		59,538	
7.25%, 10/01/20		855		867,825	
Atlas Energy Operating Co. LLC:					
12.13%, 8/01/17		500		574,375	
10.75%, 2/01/18		260		286,650	
Berry Petroleum Co., 8.25%, 11/01/16		510		515,100	
Bill Barrett Corp., 9.88%, 7/15/16		45		48,825	
Chesapeake Energy Corp.:					
6.63%, 8/15/20		2,360		2,368,850	
2.25%, 12/15/38 (e)		800		599,000	
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)		295		303,113	
Connacher Oil and Gas Ltd. (b):				,	
11.75%, 7/15/14		175		189,875	
				, ,	

	1 1 1 7	1 1 1 7 000
10.25%, 12/15/15	1,145	1,145,000
Consol Energy, Inc., 8.25%, 4/01/20 (b)	1,990	2,111,887
Crosstex Energy LP, 8.88%, 2/15/18	405	418,163
Denbury Resources, Inc., 8.25%, 2/15/20	737	786,747
Linn Energy LLC, 8.63%, 4/15/20 (b)	1,100	1,160,500
Massey Energy Co., 6.88%, 12/15/13	945	956,812
Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)	1,870	1,968,175
OPTI Canada, Inc. (b):		
9.00%, 12/15/12	1,735	1,739,337
9.75%, 8/15/13	975	962,812
Patriot Coal Corp., 8.25%, 4/30/18	420	416,850
Peabody Energy Corp., 6.50%, 9/15/20	1,100	1,156,375
Petrohawk Energy Corp.:		
10.50%, 8/01/14	555	620,213
7.88%, 6/01/15	460	477,250
QEP Resources, Inc., 6.88%, 3/01/21	450	469,125
Range Resources Corp., 8.00%, 5/15/19	400	428,000
Teekay Corp., 8.50%, 1/15/20	660	704,550
	_	
		21.334.947
		21,334,947
Paper & Forest Products 2.9%		21,334,947
Paper & Forest Products 2.9% Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d)	1,134	21,334,947
•	1,134	
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d)	1,134 330	
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC:	,	969,671
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20	330	969,671 347,325
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17	330 165	969,671 347,325 167,888
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20 Clearwater Paper Corp., 10.63%, 6/15/16 Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	330 165 390	969,671 347,325 167,888 438,750
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20 Clearwater Paper Corp., 10.63%, 6/15/16 Georgia-Pacific LLC, 8.25%, 5/01/16 (b) Glatfelter, 7.13%, 5/01/16 (b)	330 165 390 1,600	969,671 347,325 167,888 438,750 1,752,000
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20 Clearwater Paper Corp., 10.63%, 6/15/16 Georgia-Pacific LLC, 8.25%, 5/01/16 (b) Glatfelter, 7.13%, 5/01/16 (b) NewPage Corp., 11.38%, 12/31/14	330 165 390 1,600 210	969,671 347,325 167,888 438,750 1,752,000 211,312 2,559,375
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20 Clearwater Paper Corp., 10.63%, 6/15/16 Georgia-Pacific LLC, 8.25%, 5/01/16 (b) Glatfelter, 7.13%, 5/01/16 (b)	330 165 390 1,600 210 3,150	969,671 347,325 167,888 438,750 1,752,000 211,312
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) Boise Paper Holdings LLC: 9.00%, 11/01/17 8.00%, 4/01/20 Clearwater Paper Corp., 10.63%, 6/15/16 Georgia-Pacific LLC, 8.25%, 5/01/16 (b) Glatfelter, 7.13%, 5/01/16 (b) NewPage Corp., 11.38%, 12/31/14	330 165 390 1,600 210 3,150	969,671 347,325 167,888 438,750 1,752,000 211,312 2,559,375

See Notes to Financial Statements.

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BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)		
Pharmaceuticals 0.6%				
Angiotech Pharmaceuticals, Inc., 4.29%,				
12/01/13 (f)	USD	1,050	\$	847,875
Elan Finance Plc, 8.88%, 12/01/13		105		105,787
Novasep Holding SAS, 9.63%, 12/15/16 (b)	EUR	630		670,629
				1,624,291
Real Estate Management & Development 0.5%				
Forest City Enterprises, Inc., 7.63%, 6/01/15	USD	1,425		1,300,313
Road & Rail 0.9%				
Avis Budget Car Rental LLC, 9.63%, 3/15/18		510		532,950
Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)	EUR	710		935,738
Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)	USD	820		801,550
				2,270,238
Semiconductors & Semiconductor Equipment 0.2%				
Advanced Micro Devices, Inc.:				
6.00%, 5/01/15 (e)		138		135,068
7.75%, 8/01/20 (b)		285		282,150
				417,218
Software 0.0%				
BMS Holdings, Inc., 8.59%, 2/15/12 (b)(d)(f)		477		9,542
Specialty Retail 1.6%				
Group 1 Automotive, Inc., 2.25%, 6/15/36 (e)(i)		1,055		803,119
Hillman Group, Inc., 10.88%, 6/01/18 (b)		530		557,825
Ltd. Brands, Inc., 8.50%, 6/15/19		785		887,050
Sonic Automotive, Inc., 9.00%, 3/15/18		370		376,475
Toys R Us-Delaware, Inc., 7.38%, 9/01/16 (b)		420 1,025		424,200 978,875
United Auto Group, Inc., 7.75%, 12/15/16		1,025		970,073
				4,027,544
Textiles, Apparel & Luxury Goods 0.2% Quiksilver, Inc., 6.88%, 4/15/15		530		490,250
Quitalities, 110, 0.0070, 1/10/10		330		170,230
Tobacco 0.1% Vector Group Ltd., 11.00%, 8/15/15		325		331,094
vector Group Liu., 11.00 /0, 0/15/15		323		331,094

Wireless Telecommunication Services 4.9%

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Cricket Communications, Inc.:				
10.00%, 7/15/15		1,890		1,979,775
7.75%, 5/15/16		220		227,150
Digicel Group Ltd. (b):				
8.88%, 1/15/15		700		705,250
9.13%, 1/15/15 (d)		1,783		1,791,915
8.25%, 9/01/17		870		903,712
10.50%, 4/15/18		500		536,250
FiberTower Corp., 9.00%, 1/01/16 (d)		293		249,068
iPCS, Inc., 2.59%, 5/01/13 (f)		815		762,025
MetroPCS Wireless, Inc., 9.25%, 11/01/14		2,405		2,501,200
Nextel Communications, Inc.:				
Series E, 6.88%, 10/31/13		1,170		1,167,075
Series F, 5.95%, 3/15/14		110		106,288
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)		275		261,250
Sprint Capital Corp., 6.88%, 11/15/28		1,790		1,494,650
				12,685,608
Total Corporate Bonds 98.4%				253,780,887
Floating Rate Loan Interests (f)				
Auto Components 1.0% Affinion Group Holdings, Inc., Term Loan, 8.51%,				
3/01/12 (d)		455		436,988
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14		2,213		2,039,026
3.0+ w, 010111+		2,213	_	2,039,020
				2,476,014
Floating Rate Loan Interests (f)		Par (000)		Value
Automobiles 1.3%				
Ford Motor Co., Tranche B-1 Term Loan,				
3.03%, 12/15/13	USD	3,592	\$	3,455,826
Building Products 1.3%				
CPG International I, Inc., Term Loan, 5.54%, 2/28/11		3,234		3,233,668
Capital Markets 0.1%				
Marsico Parent Co., LLC, Term Loan,				
5.31% 5.56%, 12/15/14		377		261,514
Chemicals 0.1%				
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan				
(First Lien), 3.52% 3.73%, 7/30/14		376		343,728
Commercial Services & Supplies 0.9%				
AWAS Finance Luxembourg Sarl, Term Loan,				
7.75%, 6/10/16		1,000		1,005,833
Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16		550		552,979
International Lease Finance Corp., Term Loan 1,				
6.75%, 3/17/15		750		755,938
0.75 76, 5/11/115				

			2,314,750
Construction & Engineering 0.8%			
Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17		2,000	2,000,000
Consumer Finance 1.7%			
American General Finance Corp., Term Loan, 7.25%, 4/21/15		4,250	4,199,531
DaimlerChrysler Financial Services Americas LLC, Term Loan (Second Lien), 6.78%, 8/05/13		250	249,113
			4,448,644
Diversified Telecommunication Services 1.7%			
Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14	EUR	3,460	4,375,781
Electric Utilities 0.5%			
New Development Holdings, LLC, Term Loan, 7.00%, 7/03/17	USD	1,350	1,363,500
Health Care Providers & Services 0.7%			
Harden Healthcare LLC: Add-on Term Loan, 7.75%, 3/02/15		525	514,500
Tranche A Term Loan, 8.50%, 2/22/15		495	485,545
inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16		900	898,313
			1,898,358
Hotels, Restaurants & Leisure 1.2%			
Travelport LLC (FKA Travelport, Inc.), Loan, 8.37%, 3/27/12 (d)		3,334	3,100,402
IT Services 0.4%			
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14		284	242,384
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14 Initial Tranche B-3 Term Loan, 3.01%, 9/24/14		408 595	348,130 507,148
		_	1,097,662
Independent Power Producers & Energy Traders 1.0%			
Texas Competitive Electric Holdings Co., LLC (TXU): Initial Tranche B-1 Term Loan,			
3.79% 4.03%, 10/10/14		215	162,909
Initial Tranche B-2 Term Loan,			
3.79% 4.07%, 10/10/14 Initial Tranche B-3 Term Loan,		255	193,115
3.79% 4.03%, 10/10/14		2,807	2,115,640
			2,471,664
Media 1.6% Cangage Learning Acquisitions Inc. (Thomson Learning)			
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		1,715	1,709,284

HMH Publishing Co., Ltd., Tranche A Term Loan, 5.79%, 6/12/14 (d)

958

872,304

See Notes to Financial Statements.

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BlackRock Corporate High Yield Fund III, Inc. (CYE) (Percentages shown are based on Net Assets)

Floating Rate Loan Interests (f)	Par (000)	Value
Media (concluded)		
Newsday, LLC, Fixed Rate Term Loan,		
10.50%, 8/01/13	USD 1,325	\$ 1,406,156
Protostar Ltd., Debtor in Possession Term Loan,		
18.00%, 10/26/10 (d)	159	158,820
		4,146,564
Multiline Retail 0.1%		
The Neiman Marcus Group, Inc., Term Loan,		
2.30%, 4/06/13	244	231,433
Oil, Gas & Consumable Fuels 1.3%		
Tronox Worldwide LLC:		
Tranche B-1 Term Loan, 11.25%, 9/20/10	1,261	1,271,424
Tranche B-2 Term Loan, 11.25%, 9/20/10	339	341,576
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (d)	2,322	1,839,899
		3,452,899
Paper & Forest Products 0.3%		
Verso Paper Finance Holdings LLC, PIK Loan,		
6.69% 7.44%, 2/01/13 (d)	1,340	804,059
Real Estate Management & Development 0.6%		
Realogy Corp.:		
Initial Term Loan B, 3.30% 3.53%, 10/10/13	398	343,264
Synthetic Letter of Credit, 0.11%, 10/10/13	81	70,156
Second Lien Term Facility, 13.50%, 10/15/17	1,000	1,055,000
		1,468,420
Specialty Retail 0.2%		
Claire s Stores, Inc., Term Loan B,		
3.01% 3.23%, 5/29/14	137	117,564
Michaels Stores, Inc., Term Loan B-1,		
2.63% 2.81%, 10/31/13	355	334,433
		451,997
Wireless Telecommunication Services 0.7%		
Vodafone Americas Finance 2 Inc., Initial Loan,	1.750	1 750 000
6.88%, 7/30/15	1,750	1,750,000
Total Floating Rate Loan Interests 17.5%		45,146,883

Other Interests (j)	Beneficial Interest (000)	
Auto Components 2.0%		
Delphi Debtor-in-Possession Holding Co. LLP		
Class B Membership Interests	(k)	5,037,660
Lear Corp. Escrow	460	5,750
		5,043,410
Hotels, Restaurants & Leisure 0.0%		
Buffets, Inc.	575	58
Media 0.0%		
Adelphia Escrow	750	75
Adelphia Recovery Trust	941	3,762
	-	
		3,837
Total Other Interests 2.0%		5,047,305
Preferred Stocks	Shares	
Auto Components 0.1%		
Dana Holding Corp., 4.00% (b)(e)	2,200	210,100
Diversified Financial Services 1.5%		
Ally Financial Inc., 7.00% (b)	3,245	2,680,472
Citigroup, Inc., 7.50% (e)	11,000	1,258,950
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
		3,939,422
Preferred Stocks	Shares	Value
Household Durables 0.1%		
Beazer Homes USA, Inc., 7.50% (e)	10,132 \$	200,715
Media 0.2%		
CMP Susquehanna Radio Holdings Corp. (a)(b)(f)	37,314	
TRA Global, Inc. (a)	286,652	463,144
	_	463,144
Real Estate Investment Trusts (REITs) 0.0%		
MPG Office Trust, Inc., Series A, 7.63% (a)	8,994	97,045
Thrifts & Mortgage Finance 0.0%		
Fannie Mae, Series O (a)	30,000	12,300

Freddie Mac, Series Z (a)	75,961	25,067
	•	37,367
Total Preferred Stocks 1.9%		4,947,793
Warrants (l)		
Containers & Packaging 0.0% MDP Acquisitions Plc (Expires 10/01/13)	700	31,460
Health Care Providers & Services 0.0% HealthSouth Corp. (Expires 1/16/14)	32,042	
Hotels, Restaurants & Leisure 0.0% Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	485	5
Media 0.0% CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b) New Vision Holdings LLC (Expires 9/30/14)	42,640 22,447	1 224 225
Oil, Gas & Consumable Fuels 0.0% Turbo Cayman Ltd. (No Expiration)	1	
Software 0.0% HMH Holdings/EduMedia (Expires 3/09/17)	11,225	
Total Warrants 0.0%		31,690
Total Long-Term Investments (Cost \$321,408,636) 122.6%		316,071,672
Short-Term Securities		
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.24% (m)(n)	2,569,493	2,569,493
Total Short-Term Securities (Cost \$2,569,493) 1.0%		2,569,493
Options Purchased	Contracts	

Over-the-Counter Call Options 0.0% Marsico Parent Superholdco LLC, Strike Price USD 942.86, expires 12/21/19, Broker Goldman Sachs Bank USA	19	
Total Options Purchased (Cost \$18,578) 0.0%		
Total Investments (Cost \$323,996,707*) 123.6%		318,641,165
Liabilities in Excess of Other Assets (23.6)%		(60,886,126)
Net Assets 100.0%		\$ 257,755,039
See Notes to Financial Statements.		
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BlackRock Corporate High Yield Fund III, Inc. (CYE)

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost \$ 3	325,170,052
Gross unrealized appreciation \$	15,013,408
Gross unrealized depreciation	(21,542,295)
Net unrealized depreciation \$	(6,528,887)

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) All or a portion of security has been pledged as collateral in connection with swaps.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional face/shares.
- (e) Convertible security.
- (f) Variable rate security. Rate shown is as of report date.
- (g) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) Amount is less than \$1,000.
- (1) 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, if any.
- (m) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at February 28, 2010	Net Activity	Shares Held at August 31, 2010	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	3,276,755	(707,262)	2,569,493	\$ 1,690

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

Foreign currency exchange contracts as of August 31, 2010 were as follows:

Currency Purchased			arrency Sold	Counterparty	Settlement Date	Ap	nrealized preciation preciation)
EUR	784,300	USD	1,007,943	Citibank NA	9/15/10	\$	(14,059)
USD	16,913,617	EUR	13,357,500	Citibank NA	9/15/10		(13,317)
USD	315,687	EUR	245,000	Deutsche Bank AG	9/15/10		5,218
GBP	238,000	USD	371,268	UBS AG	10/20/10		(6,387)
USD	2,211,164	GBP	1,448,500	Citibank NA	10/20/10		(9,553)
USD	425,230	CAD	449,000	Deutsche Bank AG	10/20/10		4,505
USD	316,702	GBP	207,500	Deutsche Bank AG	10/20/10		(1,420)
USD	342,197	GBP	222,000	Royal Bank of Scotland	10/20/10		1,845
Total						\$	(33,168)

Financial futures contracts sold as of August 31, 2010 were as follows:

Contracts	Issue	Exchange	Expiration Date	Notional Value	Unrealized Appreciation
27	S&P 500 Index	Chicago Mercantile	September 2010	\$ 7,189,857	\$ 113,832

Credit default swaps on single-name issuers buy protection outstanding as of August 31, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration		Notional Amount (000)	Unrealized Appreciation (Depreciation)	
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs International	December 2011	\$	510	\$	30,327
K. Hovnanian Enterprises, Inc.	5.00%	Goldman Sachs Bank USA	December 2013	\$	1,000		168,495
Louisiana- Pacific Corp.	5.00%	JPMorgan Chase Bank NA	March 2014	\$	500		(106,314)
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	\$	200		(10,541)
Total						\$	81,967

Credit default swaps on single-name issuers sold protection outstanding as of August 31, 2010 were as follows:

Issuer	Receive Fixed Rate	Counterparty	Expiration	Credit Rating ¹	Notional Amount (000) ²		Unrealized Appreciation (Depreciation)	
Texas Competitive Electric Holdings Co., LLC	5.00%	Goldman Sachs International	September 2012	CCC	\$	500	\$ (45,006)	
Realogy Corp.	5.00%	Credit Suisse International	March 2015	С	\$	100	699	
Advanced Micro Devices, Inc.	5.00%	JPMorgan Chase Bank NA	March 2015	B+	\$	600	(6,721)	
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	March 2015	С	\$	475	(16,004)	
Levi Strauss & Co.	5.00%	Goldman Sachs International	June 2015	B+	\$	235	1,254	
NOVA Chemicals Corp.	5.00%	Goldman Sachs International	June 2015	B+	\$	375	(6,874)	
Levi Strauss & Co.	5.00%	Goldman Sachs International	September 2015	B+	\$	560		
Realogy Corp.	5.00%	JPMorgan Chase Bank NA	September 2015	С	\$	125	(450)	
Total							\$ (73,102)	

¹ Using S&P s rating of the issuer.

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. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

See Notes to Financial Statements.

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The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

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

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 derivatives)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund spolicy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2010 in determining the fair valuation of the Fund s investments and derivatives:

Valuation Inputs	Level 1	el 1 Level 2		Level 3		Total	
							1000
Assets:							
Investments in Securities:							
Long-Term Investments:							
Common Stocks	\$ 5,977,192	\$	687,276	\$	452,646	\$	7,117,114
Corporate Bonds			248,391,323		5,389,564		253,780,887
Floating Rate Loan Interests			31,243,970		13,902,913		45,146,883
Other Interests			5,037,660		9,645		5,047,305
Preferred Stocks	4,274,549		210,100		463,144		4,947,793
Warrants					31,690		31,690
Short-Term Securities	2,569,493						2,569,493
Liabilities:							