

BLACKROCK CORPORATE HIGH YIELD FUND III INC
Form N-CSRS
November 08, 2010
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-08497

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Corporate High Yield Fund III, Inc., 55 East 52nd Street, New York, NY 10055

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

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 |

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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 (S&P) or Ba or lower by Moody s Investors Service, Inc. (Moody s)) or are unrated securities considered by BlackRock to be of comparable quality. The Fund s 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 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% |

- 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.
- ² The distribution rate is not constant and is subject to change.
- ³ 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 | 1.45% | \$ 7.08 | \$ 5.50 |
| Net Asset Value | \$ 6.85 | \$ 6.64 | 3.16% | \$ 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 |
| B | 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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SEMI-ANNUAL REPORT

AUGUST 31, 2010

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% |

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- 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.
- ² The distribution rate is not constant and is subject to change.
- ³ 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 | 3.75% | \$ 7.14 | \$ 5.29 |
| Net Asset Value | \$ 6.90 | \$ 6.69 | 3.14% | \$ 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 |
| B | 46 | 47 |
| CCC/Caa | 11 | 12 |
| D | | 1 |
| Not Rated | 5 | 8 |

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

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.

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² 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.

³ 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 | 50% | 47% |
| Corporate Bonds | 46 | 49 |
| Common Stocks | 3 | 4 |
| Other Interests | 1 | |

Credit Quality Allocations⁴

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

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

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.

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 | 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% |

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.

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² The distribution rate is not constant and is subject to change.

³ 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 | \$ 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 | 22 | 26 |
| Other Interests | 1 | 1 |
| Common Stock | 1 | |

Credit Quality Allocations⁴

| | 8/31/10 | 2/28/10 |
|-----------|---------|---------|
| BBB/Baa | 6% | 6% |
| BB/Ba | 34 | 34 |
| B | 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.

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% |

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.

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² The distribution is not constant and is subject to change.

³ 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 | 51% | 46% |
| Corporate Bonds | 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 |
| B | 48 | 43 |
| CCC/Caa | 7 | 11 |
| D | | 1 |
| Not Rated | 6 | 7 |

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

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 $\frac{1}{3}$ % 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% |
| CYE | 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.

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% | | |
| Wellman Holdings, Inc. (a) | 1,425 | 71 |
| Communications Equipment 0.5% | | |
| Loral Space & Communications Ltd. (a) | 22,577 | 1,208,773 |
| Construction Materials 0.0% | | |
| 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) | 84,389 | 92,828 |
| Navistar International Corp. (a) | 8,700 | 364,356 |
| | | 457,184 |
| Media 0.4% | | |
| Charter Communications, Inc. (a) | 15,186 | 516,324 |
| Gannett Co., Inc. | 39,500 | 477,555 |
| | | 993,879 |
| Paper & Forest Products 0.1% | | |
| Ainsworth Lumber Co. Ltd. (a) | 36,744 | 86,144 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 41,686 | 97,731 |
| Western Forest Products, Inc. (a) | 147,968 | 40,935 |
| Western Forest Products, Inc. (a)(b) | 41,528 | 11,488 |
| | | 236,298 |
| Semiconductors & Semiconductor | | |

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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%

| | | |
|----------------------|--------|---------|
| FiberTower Corp. (a) | 76,542 | 274,786 |
|----------------------|--------|---------|

Total Common Stocks 1.9%

4,661,323

Corporate Bonds

**Par
(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 |
| | | | <u>960,100</u> |

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 |
| | | | <u>1,390,000</u> |

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 |
| | | | <u>6,957,043</u> |

Auto Components 1.5%

| | | | |
|---------------------------------|--|-----|---------|
| Allison Transmission, Inc. (b): | | | |
| 11.00%, 11/01/15 | | 220 | 236,500 |

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| | | | |
|--|--|-------|-----------|
| 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.: | | | |
| 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.

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | 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): | | |
| (Second Lien), 10.00%, 1/29/19 (b) | USD 790 | 687,300 |
| (Third Lien), 5.00%, 1/29/19 (c) | 259 | 101,015 |
| | | 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 |
| Construction Materials 0.9% | | |
| 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 |

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| | | |
|-----------------|-------|-----------|
| 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 |
| | | 2,418,205 |

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 2,800 | \$ 2,898,000 |
| Diversified Financial Services 6.7% | | |
| Ally Financial Inc. (b): | | |
| 8.30%, 2/12/15 | 1,970 | 2,048,800 |
| 7.50%, 9/15/20 | 1,760 | 1,742,400 |
| Axcen Intermediate Holdings, Inc., 12.75%, 3/01/16 | 935 | 936,169 |
| FCE Bank Plc: | | |
| 7.88%, 2/15/11 | 1,150 | 1,785,742 |
| 7.13%, 1/16/12 | 1,450 | 1,901,826 |
| 7.13%, 1/15/13 | 550 | 721,382 |
| GMAC, Inc.: | | |
| 7.50%, 12/31/13 | 350 | 357,437 |
| 2.74%, 12/01/14 (f) | 371 | 318,959 |
| 8.00%, 3/15/20 (b) | 2,300 | 2,357,500 |
| Leucadia National Corp., 8.13%, 9/15/15 | 1,120 | 1,192,800 |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b) | 1,340 | 1,350,050 |
| Reynolds Group Issuer, Inc. (b): | | |
| 7.75%, 10/15/16 | 350 | 450,186 |
| 8.50%, 5/15/18 | 710 | 681,600 |
| | | 15,844,851 |

Diversified Telecommunication Services 4.5%

| | | |
|--|-------|---------|
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12 | 1,000 | 980,000 |
|--|-------|---------|

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| | | |
|--|-------|------------|
| 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 |

Energy Equipment & Services 1.9%

| | | |
|--|-------|-----------|
| Compagnie Générale de Géophysique-Veritas: | | |
| 7.50%, 5/15/15 | 1,210 | 1,197,900 |
| 7.75%, 5/15/17 | 300 | 297,750 |
| Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b) | 1,715 | 1,603,525 |
| Global Geophysical Services, Inc., 10.50%, 5/01/17 (b) | 285 | 282,150 |
| North American Energy Alliance LLC, 10.88%, 6/01/16 (b) | 625 | 675,000 |
| Thermon Industries, Inc., 9.50%, 5/01/17 (b) | 500 | 512,500 |
| | | 4,568,825 |

Food & Staples Retailing 0.9%

| | | |
|---|-----|-----------|
| AmeriQual Group LLC, 9.50%, 4/01/12 (b) | | |
| | 750 | 735,000 |
| Rite Aid Corp.: | | |
| 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.

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | 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 | 415,638 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | 440 | 491,150 |
| TreeHouse Foods, Inc., 7.75%, 3/01/18 | 150 | 158,625 |
| | | 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 |
| | | 3,238,081 |
| 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 | 677,925 |
| 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 | 2,241,525 |
| 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 | 1,828,605 |
| 10.00%, 5/01/18 | 622 | 699,750 |
| 8.88%, 7/01/19 | 2,010 | 2,173,312 |
| | | 11,684,861 |
| Health Care Technology 1.1% | | |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 2,235 | 2,589,806 |
| 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 | 623,437 |
| 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 |

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| | | |
|---|-----|-----------|
| Travelport LLC: | | |
| 5.16%, 9/01/14 (f) | 145 | 134,488 |
| 9.88%, 9/01/14 | 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 |
| | | 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%

| | | |
|---|-------|-----------|
| 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%, 12/01/20 | | |
| | 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 |

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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.: | | |
| 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.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | 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 |

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| | | |
|---|-----|-----------|
| 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 |

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| | | |
|---|-----------|------------|
| 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% | | |
| iStar Financial, Inc., 5.65%, 9/15/11 | USD 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% | | | |
| 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): | | | |
| 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 |

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| | | |
|---|-------|-------------|
| Nextel Communications, Inc.: | | |
| Series E, 6.88%, 10/31/13 | 1,110 | 1,107,225 |
| Series F, 5.95%, 3/15/14 | 100 | 96,625 |
| Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b) | 265 | 251,750 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,720 | 1,436,200 |
| | | 12,316,386 |
| 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%, 3/01/12 (c) | | |
| | 455 | 436,988 |
| Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14 | 2,164 | 1,994,156 |
| | | 2,431,144 |

Automobiles 1.3%

| | | |
|---|-------|-----------|
| Ford Motor Co., Tranche B-1 Term Loan, 3.03%, 12/15/13 | 3,243 | 3,119,476 |
|---|-------|-----------|

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 |
|---|----------------------|--------------|
|---|----------------------|--------------|

Capital Markets 0.1%

| | | | | |
|--|-----|-----|----|---------|
| Marsico Parent Co., LLC, Term Loan, 5.31% 5.56%, 12/15/14 | USD | 377 | \$ | 261,513 |
|--|-----|-----|----|---------|

Chemicals 0.2%

| | | | | |
|---|--|-----|--|---------|
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% 3.73%, 7/30/14 | | 406 | | 371,090 |
|---|--|-----|--|---------|

Construction & Engineering 0.7%

| | | | | |
|--|--|-------|--|-----------|
| Safway Services, LLC, Last Out Tranche Loan, 15.63%, 12/14/17 | | 1,750 | | 1,750,000 |
|--|--|-------|--|-----------|

Diversified Telecommunication Services 1.8%

| | | | | |
|---|-----|-------|--|-----------|
| Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14 | EUR | 3,350 | | 4,236,667 |
|---|-----|-------|--|-----------|

Health Care Providers & Services 0.8%

| | | | | |
|--|-----|-----|--|-----------|
| Harden Healthcare LLC: | | | | |
| Add-on Term Loan, 7.75%, 3/02/15 | USD | 500 | | 490,000 |
| Tranche A Term Loan, 8.50%, 2/22/15 | | 436 | | 427,280 |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16 | | 900 | | 898,312 |
| | | | | 1,815,592 |

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| | | | |
|---|-----|-------|-----------|
| 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%, 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, 5.79%, 6/12/14 (c) | | 883 | 804,193 |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13 | | 1,375 | 1,459,219 |
| | | | 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, 2.30%, 4/06/13 | USD | 225 | 213,631 |
| | | | 1,429,673 |
| Oil, Gas & Consumable Fuels 1.3% | | | |
| Tronox Worldwide LLC: | | | |
| Tranche B-1 Term Loan, 11.25%, 9/20/10 | | 1,104 | 1,112,496 |
| Tranche B-2 Term Loan, 11.25%, 9/20/10 | | 296 | 298,879 |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (c) | | 2,216 | 1,756,268 |
| | | | 3,167,643 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Floating Rate Loan Interests (f) | Par (000) | 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 |

| Other Interests (i) | Beneficial Interest (000) | |
|---|---------------------------------|-----------|
| Auto Components 1.9% | | |
| Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests | (j) | 4,553,557 |
| Media 0.0% | | |
| Adelphia Escrow | 700 | 70 |
| Adelphia Recovery Trust | 878 | 3,512 |
| | | 3,582 |
| Total Other Interests 1.9% | | 4,557,139 |

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| 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) | 39,975 | |
| New Vision Holdings LLC (Expires 9/30/14) | 14,965 | 150 |
| | | 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 |

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Goldman Sachs Bank USA

| | | |
|--|----------------|-----------------------|
| Total Options Purchased | | |
| (Cost \$16,622) | 0.0% | |
| Total Investments (Cost \$285,917,885*) | | 281,050,312 |
| 118.1% | | |
| Liabilities in Excess of Other Assets | (18.1)% | (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:

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

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BlackRock Liquidity
Funds, TempFund,
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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Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

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

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|----------------|----------------------------|-----------------|--|
| 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) | Unrealized Appreciation (Depreciation) |
|--------------------------------|----------------|---------------------------------------|----------------|-----------------------|--|
| 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 |

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| | | | | | |
|--------------------------------|-------|------------------------|---------------|-----------|----------------|
| 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 Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------------------|----------------|----------------------------|------------------------------------|--|
| 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 | C | \$ 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 | C | \$ 125 | (450) |
| Total | | | | | \$ | (70,436) |

¹ Using Standard & Poor's rating of the issuer.

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

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:

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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 Financial Statements.

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Schedule of Investments (concluded)

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 |

¹ 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

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| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | | Unfunded Loan Commitments | |
|--|-------------------|---------------------|---------------------------------|--------------------|---------------|---------------------------------|----------------------|
| 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 |

² 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.

³ 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.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2010

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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 |
| | | <u>509,788</u> |
| 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 |
| | | <u>493,753</u> |
| 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 |

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| | | |
|--|---------|-----------|
| | | 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 |
|---|--------------|------------|
| 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 | 540 | 557,550 |
| | | 1,001,400 |
| Air Freight & Logistics 0.6% | | |
| National Air Cargo Group, Inc.: | | |
| Series 1, 12.38%, 8/16/15 | 755 | 755,000 |
| Series 2, 12.38%, 8/16/15 | 755 | 755,000 |
| | | 1,510,000 |
| Airlines 2.9% | | |
| Air Canada (b): | | |
| 9.25%, 8/01/15 | 1,060 | 1,038,800 |
| 12.00%, 2/01/16 | 280 | 261,800 |
| American Airlines, Inc., 10.50%, 10/15/12 (b) | 940 | 998,750 |
| American Airlines Pass Through Trust, Series 2001-02, 7.86%, 4/01/13 | 400 | 418,600 |
| Continental Airlines, Inc.: | | |
| 6.75%, 9/15/15 (b) | 630 | 623,700 |
| Series 1997-4-B, 6.90%, 7/02/18 (c) | 522 | 508,827 |
| Series 2001-1-C, 7.03%, 12/15/12 | 250 | 249,236 |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 1,045 | 1,097,526 |
| United Air Lines, Inc., 12.75%, 7/15/12 | 2,082 | 2,320,895 |

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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 |

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 |
| | | 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): | | |
| 6.88%, 8/15/18 | 530 | 515,425 |
| 7.00%, 2/15/20 | 620 | 616,900 |
| Momentive Performance Materials, Inc., Series WI, | | |
| 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 |

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.

Schedule of Investments (continued)

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

| Corporate Bonds | Par (000) | 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.: | | |
| 9.75%, 11/15/14 | 790 | 776,175 |
| 8.88%, 2/01/18 | 765 | 707,625 |
| Huntsman International LLC (b): | | |
| 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): | | |
| (Second Lien), 10.00%, 1/29/19 (b) | 844 | 734,280 |
| (Third Lien), 5.00%, 1/29/19 (d) | 276 | 107,749 |
| | | 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: 3.28%, 1/13/12 (f) | | 215 | 210,700 |
| 7.80%, 6/01/12 | | 200 | 210,468 |
| 8.00%, 12/15/16 | | 180 | 195,468 |
| 6.63%, 8/15/17 | | 1,260 | 1,280,629 |
| | | | 2,601,915 |

| Corporate Bonds | Par (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., 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., 6.75%, 12/01/14 | EUR 155 | 198,388 |
| Pregis Corp., 12.38%, 10/15/13 | USD 1,200 | 1,200,000 |
| Smurfit Kappa Acquisitions (b): 7.25%, 11/15/17 | 495 | 639,835 |
| 7.75%, 11/15/19 | 470 | 610,498 |
| | | 8,152,521 |

| 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.: 7.50%, 12/31/13 | | 280 | 285,950 |
| 2.74%, 12/01/14 (f) | | 394 | 338,732 |

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| | | |
|--|-------|------------|
| 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.

Schedule of Investments (continued)

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 |

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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 |
| | | 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, 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%, 8/15/18 (b) | 370 | 369,075 |

| Corporate Bonds | Par (000) | 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 |
| | | 5,958,986 |

Household Durables 3.5%

| | | |
|--|-----------|-----------|
| Beazer Homes USA, Inc.: | | |
| 6.88%, 7/15/15 | 185 | 160,025 |
| 8.13%, 6/15/16 | 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 | 675 | 632,812 |
| Standard Pacific Corp.: | | |
| 9.25%, 4/15/12 | 135 | 138,544 |
| 6.25%, 4/01/14 | 365 | 340,363 |
| 7.00%, 8/15/15 | 265 | 243,800 |
| 10.75%, 9/15/16 | 1,390 | 1,462,975 |
| 8.38%, 5/15/18 | 605 | 582,313 |
| | | 8,890,024 |

Independent Power Producers & Energy Traders 2.8%

| | | |
|--|-------|-----------|
| The AES Corp., 8.75%, 5/15/13 (b) | 450 | 457,313 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | 1,260 | 1,323,000 |

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| | | |
|---|-------|-----------|
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b) | 3,395 | 3,269,395 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 174 | 167,211 |
| NRG Energy, Inc.: | | |
| 7.25%, 2/01/14 | 1,275 | 1,300,500 |
| 7.38%, 2/01/16 | 270 | 272,025 |
| 7.38%, 1/15/17 | 400 | 403,000 |

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.

Schedule of Investments (continued)

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 | 2,445 | \$ 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 | | 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.: | | | |
| 6.00%, 5/15/15 (f) | | 350 | 294,000 |
| 9.50%, 5/15/15 | | 420 | 400,050 |
| Intelsat Corp., 9.25%, 6/15/16 | | 2,120 | 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) | | 1,113 | 1,210,387 |
| Lighthouse International Co. SA: | | | |
| 8.00%, 4/30/14 | EUR | 546 | 408,232 |
| 8.00%, 4/30/14 (b) | | 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: | | | |
| 11.63%, 2/01/14 | | 180 | 201,825 |
| 10.00%, 8/01/14 | | 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): | | | |
| 8.75%, 9/01/12 | | 440 | 440,550 |
| 10.38%, 9/01/14 | | 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) | USD | 1,330 | 1,270,150 |
| UPC Germany GmbH (b): | | | |
| 8.13%, 12/01/17 | | 755 | 775,762 |
| 8.13%, 12/01/17 | EUR | 441 | 570,035 |
| 9.63%, 12/01/19 | | 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 |

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| | | |
|---------------------------------------|-----|------------|
| 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 (000) | | Value |
|---|-----|--------------|----|------------|
| Metals & Mining (concluded) | | | | |
| New World Resources NV: | | | | |
| 7.38%, 5/15/15 | EUR | 255 | \$ | 316,686 |
| 7.88%, 5/01/18 | | 190 | | 243,185 |
| 7.88%, 5/01/18 (b) | | 210 | | 268,784 |
| Novelis, Inc., 11.50%, 2/15/15 | USD | 430 | | 473,000 |
| Ryerson, Inc.: | | | | |
| 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 |

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| | | |
|---|-------|------------|
| 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 |
| Paper & Forest Products 2.9% | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) | 1,134 | 969,671 |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 330 | 347,325 |
| 8.00%, 4/01/20 | 165 | 167,888 |
| Clearwater Paper Corp., 10.63%, 6/15/16 | 390 | 438,750 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | 1,600 | 1,752,000 |
| Glatfelter, 7.13%, 5/01/16 (b) | 210 | 211,312 |
| NewPage Corp., 11.38%, 12/31/14 | 3,150 | 2,559,375 |
| Verso Paper Holdings LLC, 11.50%, 7/01/14 | 840 | 886,200 |
| | | 7,332,521 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|--|-----|--------------|------------------|
| 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 |
| | | | <u>1,624,291</u> |
| 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 |
| | | | <u>2,270,238</u> |
| 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 |
| | | | <u>417,218</u> |
| 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 | 424,200 |
| United Auto Group, Inc., 7.75%, 12/15/16 | | 1,025 | 978,875 |
| | | | <u>4,027,544</u> |
| Textiles, Apparel & Luxury Goods 0.2% | | | |
| Quiksilver, Inc., 6.88%, 4/15/15 | | 530 | 490,250 |
| Tobacco 0.1% | | | |
| Vector Group Ltd., 11.00%, 8/15/15 | | 325 | 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 |
| | | 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 |

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| | | | |
|--|-----|-------|-----------|
| | | | 2,314,750 |
| Construction & Engineering 0.8% | | | |
| Safeway 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% | | | |
| Travelpart LLC (FKA Travelpart, 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 | | 408 | 348,130 |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14 | | 595 | 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 | | 255 | 193,115 |
| Initial Tranche B-3 Term Loan, 3.79% 4.03%, 10/10/14 | | 2,807 | 2,115,640 |
| | | | 2,471,664 |
| Media 1.6% | | | |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 1,715 | 1,709,284 |

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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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SEMI-ANNUAL REPORT

AUGUST 31, 2010

Schedule of Investments (continued)

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 |
| | | <u>4,146,564</u> |
| 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 |
| | | <u>3,452,899</u> |
| 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 |
| | | <u>1,468,420</u> |
| 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 |
| | | <u>451,997</u> |
| Wireless Telecommunication Services 0.7% | | |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15 | 1,750 | 1,750,000 |
| Total Floating Rate Loan Interests 17.5% | | <u>45,146,883</u> |

| 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 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, Series O (a) | 30,000 | 12,300 |

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| | | |
|---------------------------|--------|---------------|
| Freddie Mac, Series Z (a) | 75,961 | 25,067 |
| | | <u>37,367</u> |

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) | 42,640 | 1 |
| New Vision Holdings LLC (Expires 9/30/14) | 22,447 | 224 |
| | | <u>225</u> |

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%