

BLACKROCK DEBT STRATEGIES FUND, INC.

Form N-CSRS

November 05, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT

COMPANIES

Investment Company Act file number 811-08603

Name of Fund: BlackRock Debt Strategies Fund, Inc. (DSU)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Debt Strategies Fund, 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: 02/28/2013

Date of reporting period: 08/31/2012

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Item 1 Report to Stockholders

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August 31, 2012

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)

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Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

About this time one year ago, financial markets had been upended by sovereign debt turmoil in the United States and Europe as well as growing concerns about the future of the global economy. Since then, asset prices have waxed and waned in broad strokes as investors reacted to developments in Europe's financial situation, mixed US economic news and global central bank policy action.

After confidence crumbled in the third quarter of 2011, October brought improving economic data and more concerted efforts among European leaders toward stemming the region's debt crisis, gradually drawing investors back to the markets. Improving sentiment carried over into early 2012 as investors felt some relief from the world's financial woes. Volatility abated and risk assets (including stocks, commodities and high yield bonds) moved boldly higher through the first two months of 2012 while climbing Treasury yields pressured higher-quality fixed income assets.

Markets reversed course in the spring when Europe's debt problems boiled over once again. High levels of volatility returned as political instability in Greece threatened the country's membership in the euro zone. Spain faced severe deficit issues while the nation's banks clamored for liquidity. Yields on Spanish and Italian government debt rose to levels deemed unsustainable. European leaders conferred and debated vehemently over the need for fiscal integration among the 17 nations comprising the euro currency bloc as a means to resolve the crisis for the long term.

Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, became particularly worrisome. In the United States, disappointing jobs reports dealt a crushing blow to sentiment. Risk assets sold off in the second quarter as investors again retreated to safe haven assets.

Despite the continuation of heightened market volatility, most asset classes enjoyed a robust summer rally. Global economic data continued to be mixed, but the spate of downside surprises seen in the second quarter began to recede and, outside of Europe, the risk of recession largely subsided. Central bank policy action has been a major driver of market sentiment in 2012. Investors' anticipation for economic stimulus drove asset prices higher over the summer as the European Central Bank stepped up its efforts to support the region's troubled nations and the US Federal Reserve reiterated its readiness to take action if economic conditions warrant.

On the whole, most asset classes advanced during the reporting period. US large cap stocks delivered strong returns for the 12 months ended August 31, 2012, while small cap stocks and high yield bonds also performed well. Despite the risk-asset rally in recent months, higher-quality investments including tax-exempt municipal bonds and US Treasury bonds posted exceptional gains by historical standards and outperformed investment-grade corporate bonds. International and emerging equities, however, lagged other asset classes amid ongoing global uncertainty. Near-zero short term interest rates kept yields on money market securities near their all-time lows.

We know that investors continue to face a world of uncertainty and volatile markets, but we also believe these challenging times present many opportunities. We remain committed to working with you and your financial professional to identify actionable ideas for your portfolio. We encourage you to visit www.blackrock.com/newworld for more information.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

We know that investors continue to face a world of uncertainty and volatile markets, but we also believe these challenging times present many opportunities.

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Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of August 31, 2012

	6-month	12-month
US large cap equities	4.14%	18.00%
(S&P 500® Index)		
US small cap equities	0.89	13.40
(Russell 2000® Index)		
International equities	(4.00)	(0.04)
(MSCI Europe, Australasia, Far East Index)		
Emerging market equities (MSCI Emerging Markets Index)	(10.51)	(5.80)
3-month Treasury bill	0.06	0.06
(BofA Merrill Lynch 3-Month US Treasury Bill Index)		
US Treasury securities	5.25	9.14
(BofA Merrill Lynch 10-Year US Treasury Index)		
US investment grade bonds (Barclays US Aggregate Bond Index)	2.97	5.78
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.24	9.37
US high yield bonds	4.80	13.84
(Barclays US Corporate High Yield 2% Issuer Capped Index)		

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of August 31, 2012

BlackRock Corporate High Yield Fund, Inc.

Investment Objective

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's) or Ba or lower by Moody's Investors Service, Inc. (Moody's)) or are unrated securities considered by BlackRock to be of comparable quality. As a secondary objective, the Fund also seeks to provide shareholders with capital appreciation. The Fund invests, under normal market conditions, at least 80% of its assets in high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and corporate loans which are below investment grade quality. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended August 31, 2012, the Fund returned 6.02% based on market price and 5.85% based on net asset value (NAV). For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 8.15% based on market price and 5.80% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which widened slightly during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection across the high yield quality spectrum had a positive impact on performance. From a sector perspective, selection among non-captive diversified financials, cable media and wireless names boosted returns.

Conversely, on a sector basis, security selection among non-rated securities detracted from performance. On a sector basis, selection within independent energy, automotive and gaming had a negative impact on returns. The Fund's allocation to bank loans also hindered performance as the asset class underperformed relative to the high yield market in the risk asset rally.

Describe recent portfolio activity.

The Fund began the reporting period increasing its risk profile; however, as risk asset prices surged in 2012, the Fund moderated its degree of risk-taking over the six-month period. While the Fund's view on high yield remained positive throughout this period, as average prices moved north of par for the market, the Fund's holdings became increasingly focused on higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate, since the potential for price appreciation had largely diminished. With global growth concerns posing a persistent threat and fueling uncertainty, the Fund continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Fund generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

Describe portfolio positioning at period end.

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At period end, the Fund held 78% of its total portfolio in corporate bonds and 14% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred securities and other interests. The Fund's largest sector exposures included non-cable media, healthcare and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, home construction and restaurants. The Fund ended the period with economic leverage at 27% of its total managed assets.

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

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

Symbol on New York Stock Exchange (NYSE)	COY
Initial Offering Date	June 25, 1993
Yield on Closing Market Price as of August 31, 2012 (\$7.89) ¹	7.76%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Economic Leverage as of August 31, 2012 ³	27%

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 14.

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

	8/31/12	2/29/12	Change	High	Low
Market Price	\$ 7.89	\$ 7.76	1.68%	\$ 8.15	\$ 7.13
Net Asset Value	\$ 7.40	\$ 7.29	1.51%	\$ 7.40	\$ 7.00

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

	8/31/12	2/29/12
Corporate Bonds	78%	80%
Floating Rate Loan Interests	14	12
Common Stocks	5	5
Preferred Securities	2	2
Other Interests	1	1

Credit Quality Allocations⁴

	8/31/12	2/29/12
A	1%	1%
BBB/Baa	5	6
BB/Ba	36	42
B	43	40
CCC/Caa	13	10
Not Rated	2	1

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

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Fund Summary as of August 31, 2012

BlackRock Corporate High Yield Fund III, Inc.

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended August 31, 2012, the Fund returned 9.12% based on market price and 6.10% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 8.15% based on market price and 5.80% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection across the high yield quality spectrum had a positive impact on performance. From a sector perspective, selection among non-captive diversified financials, cable media and wireless names boosted returns.

Conversely, on a sector basis, security selection among non-rated securities detracted from performance. On a sector basis, selection within independent energy, automotive and gaming had a negative impact on returns. The Fund's allocation to bank loans also hindered performance as the asset class underperformed relative to the high yield market in the risk asset rally.

Describe recent portfolio activity.

The Fund began the reporting period increasing its risk profile; however, as risk asset prices surged in 2012, the Fund moderated its degree of risk-taking over the six-month period. While the Fund's view on high yield remained positive throughout this period, as average prices moved north of par for the market, the Fund's holdings became increasingly focused on higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate, since the potential for price appreciation had largely diminished. With global growth concerns posing a persistent threat and fueling uncertainty, the Fund continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Fund generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

Describe portfolio positioning at period end.

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At period end, the Fund held 75% of its total portfolio in corporate bonds and 17% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred securities and other interests. The Fund's largest sector exposures included non-cable media, healthcare and chemicals, while its portfolio holdings reflected less emphasis on the riskier, more cyclical segments of the market such as banking, home construction and retailers. The Fund ended the period with economic leverage at 29% of its total managed assets.

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

Symbol on NYSE	CYE
Initial Offering Date	January 30, 1998
Yield on Closing Market Price as of August 31, 2012 (\$8.11) ¹	7.77%
Current Monthly Distribution per Common Share ²	\$0.0525
Current Annualized Distribution per Common Share ²	\$0.6300
Economic Leverage as of August 31, 2012 ³	29%

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 14.

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

	8/31/12	2/29/12	Change	High	Low
Market Price	\$ 8.11	\$ 7.75	4.65%	\$ 8.12	\$ 7.15
Net Asset Value	\$ 7.54	\$ 7.41	1.75%	\$ 7.54	\$ 7.11

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

	8/31/12	2/29/12
Corporate Bonds	75%	77%
Floating Rate Loan Interests	17	15
Common Stocks	5	6
Preferred Securities	2	2
Other Interests	1	

Credit Quality Allocations⁴

	8/31/12	2/29/12
A	1%	1%
BBB/Baa	5	7
BB/Ba	35	38
B	43	43
CCC/Caa	13	10
Not Rated	3	1

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

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Fund Summary as of August 31, 2012

BlackRock Debt Strategies Fund, Inc.

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended August 31, 2012, the Fund returned 10.04% based on market price and 5.51% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 8.15% based on market price and 5.80% based on NAV. All returns reflect reinvestment of dividends. The Fund began the period with neither a discount nor a premium to NAV, and moved to a premium by period end. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among lower quality debt instruments (including both bonds and loans) had a positive impact on performance. From a sector perspective, selection within consumer services, wireless and technology contributed positively.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund's allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the independent energy and electric sectors hindered returns for the period.

Describe recent portfolio activity.

The Fund began the reporting period increasing its risk profile; however, as risk asset prices surged in 2012, the Fund moderated its degree of risk-taking over the six-month period. While the Fund's view on high yield and bank loan assets remained positive throughout this period, its holdings became increasingly focused on higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate. With global growth concerns posing a persistent threat and fueling uncertainty, the Fund continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Fund generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

Describe portfolio positioning at period end.

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At period end, the Fund held 53% of its total portfolio in floating rate loan interests, and 43% in corporate bonds, with the remainder in common stocks, asset-backed securities and other interests. The Fund's largest sector exposures included healthcare, independent energy and chemicals. The Fund ended the period with economic leverage at 30% of its total managed assets.

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BlackRock Debt Strategies Fund, Inc.

Fund Information

Symbol on NYSE	DSU
Initial Offering Date	March 27, 1998
Yield on Closing Market Price as of August 31, 2012 (\$4.37) ¹	7.41%
Current Monthly Distribution per Common Share ²	\$0.027
Current Annualized Distribution per Common Share ²	\$0.324
Economic Leverage as of August 31, 2012 ³	30%

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 14.

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

	8/31/12	2/29/12	Change	High	Low
Market Price	\$ 4.37	\$ 4.13	5.81%	\$ 4.39	\$ 4.00
Net Asset Value	\$ 4.19	\$ 4.13	1.45%	\$ 4.19	\$ 4.00

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

	8/31/12	2/29/12
Floating Rate Loan Interests	53%	54%
Corporate Bonds	43	43
Asset-Backed Securities	2	1
Common Stocks	1	1
Other Interests	1	1

Credit Quality Allocations⁴

	8/31/12	2/29/12
A	1%	1%
BBB/Baa	5	5
BB/Ba	34	36
B	47	45
CCC/Caa	12	8

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Not Rated

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

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Table of Contents**Fund Summary** as of August 31, 2012**BlackRock Floating Rate Income Strategies Fund II,
Inc.****Investment Objective**

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.

Portfolio Management Commentary

On May 23, 2012, the Board of Directors of FRB approved a plan of reorganization, whereby BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) will acquire all of the assets and all of the liabilities of FRB in exchange for newly issued shares of FRA in a merger transaction. At a shareholder meeting on September 13, 2012, FRB's and FRA's shareholders approved the plan of reorganization. The reorganization took place on October 5, 2012.

How did the Fund perform?

For the six-month period ended August 31, 2012, the Fund returned 6.50% based on market price and 4.59% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds (Leveraged) category posted an average return of 9.00% based on market price and 5.03% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount 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.

What factors influenced performance?

Security selection among higher and lower quality loan instruments had a positive impact on the Fund's performance. From a sector perspective, security selection within the consumer services and gaming segments boosted returns. The Fund's tactical allocation to high yield bonds also contributed positively as the asset class outperformed bank loans and higher-duration fixed income instruments during the period. Conversely, on a sector basis, security selection in the electric and non-cable media sectors detracted from performance, as did selection among middle quality loan instruments.

Describe recent portfolio activity.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data along with global policy uncertainty and an overall weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. The European Central Bank's long-term refinancing operations, introduced in December 2011, were supportive of risk markets in first half of 2012. However, this development did not have a significant influence on the Fund's view on risk within the loan market. More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macroeconomic risks.

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Describe portfolio positioning at period end.

At period end, the Fund held 87% of its total portfolio in floating rate loan interests (bank loans) and 10% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund's largest sector exposures included healthcare, technology and chemicals. The Fund ended the period with economic leverage at 30% of its total managed assets.

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

Table of Contents**BlackRock Floating Rate Income Strategies Fund II,
Inc.****Fund Information**

Symbol on NYSE	FRB
Initial Offering Date	July 30, 2004
Yield on Closing Market Price as of August 31, 2012 (\$13.62) ¹	6.43%
Current Monthly Distribution per Common Share ²	\$0.073
Current Annualized Distribution per Common Share ²	\$0.876
Economic Leverage as of August 31, 2012 ³	30%

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 14.

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

	8/31/12	2/29/12	Change	High	Low
Market Price	\$ 13.62	\$ 13.21	3.10%	\$ 14.00	\$ 12.90
Net Asset Value	\$ 13.77	\$ 13.60	1.25%	\$ 13.77	\$ 13.37

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

	8/31/12	2/29/12
Floating Rate Loan Interests	87%	84%
Corporate Bonds	10	13
Asset-Backed Securities	2	2
Common Stocks	1	1

Credit Quality Allocations⁴

	8/31/12	2/29/12
BBB/Baa	7%	10%
BB/Ba	33	36
B	40	39
CCC/Caa	11	7
Not Rated	9	8

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

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Fund Summary as of August 31, 2012

BlackRock Senior High Income Fund, Inc.

Investment Objective

BlackRock Senior High Income Fund, Inc. (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.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended August 31, 2012, the Fund returned 13.11% based on market price and 5.41% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 8.15% based on market price and 5.80% 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.

What factors influenced performance?

Security selection among lower quality debt instruments (including both bonds and loans) had a positive impact on performance. From a sector perspective, selection within gaming, wireless and technology contributed positively. The Trust's exposures to preferred securities and common stock also boosted returns.

The Fund invests roughly half of its assets in high yield bonds and half in floating rate loan interests (bank loans), while most funds in the Lipper category invest primarily in high yield bonds. While the Fund's allocation to bank loans did not detract from performance on an absolute basis, the asset class underperformed high yield bonds for the period. Security selection in the independent energy and electric sectors hindered returns for the period.

Describe recent portfolio activity.

The Fund began the reporting period increasing its risk profile; however, as risk asset prices surged in 2012, the Fund moderated its degree of risk-taking over the six-month period. While the Fund's view on high yield and bank loan assets remained positive throughout this period, its holdings became increasingly focused on higher-quality income-oriented credit names with stable fundamentals and an attractive coupon rate. With global growth concerns posing a persistent threat and fueling uncertainty, the Fund continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Fund generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

Describe portfolio positioning at period end.

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At period end, the Fund held 56% of its total portfolio in floating rate loan interests (bank loans) and 41% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund's largest sector exposures included healthcare, independent energy and chemicals. The Fund ended the period with economic leverage at 27% of its total managed assets.

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BlackRock Senior High Income Fund, Inc.

Fund Information

Symbol on NYSE	ARK
Initial Offering Date	April 30, 1993
Yield on Closing Market Price as of August 31, 2012 (\$4.43) ¹	6.77%
Current Monthly Distribution per Common Share ²	\$0.025
Current Annualized Distribution per Common Share ²	\$0.300
Economic Leverage as of August 31, 2012 ³	27%

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 14.

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

	8/31/12	2/29/12	Change	High	Low
Market Price	\$ 4.43	\$ 4.06	9.11%	\$ 4.43	\$ 3.99
Net Asset Value	\$ 4.22	\$ 4.15	1.69%	\$ 4.22	\$ 4.03

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

	8/31/12	2/29/12
Floating Rate Loan Interests	56%	56%
Corporate Bonds	41	41
Asset-Backed Securities	2	2
Common Stocks	1	1

Credit Quality Allocations⁴

	8/31/12	2/29/12
A	1%	1%
BBB/Baa	6	6
BB/Ba	35	39
B	54	48
CCC/Caa	4	3
Not Rated		3

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

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

The Funds may utilize leverage 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, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Funds are permitted to issue senior securities representing indebtedness up to 33 $\frac{1}{3}$ % of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of August 31, 2012, the Funds had aggregate economic leverage from borrowings through a credit facility as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
COY	27%
CYE	29%

DSU	30%
FRB	30%
ARK	27%

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps as specified in Note 2 of the Notes to Consolidated Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a

derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Consolidated Financial Statements.

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August 31, 2012 (Unaudited)

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

Common Stocks	Shares	Value
Auto Components 2.3%		
Dana Holding Corp.	92,740	\$ 1,266,828
Delphi Automotive Plc (a)	153,225	4,641,186
		5,908,014
Biotechnology 0.0%		
Ironwood Pharmaceuticals, Inc. (a)	6,540	81,946
Capital Markets 0.4%		
American Capital Ltd. (a)	46,567	511,771
E*Trade Financial Corp. (a)	68,100	583,617
		1,095,388
Chemicals 0.2%		
ADA-ES, Inc. (a)	1,670	39,162
CF Industries Holdings, Inc.	940	194,589
Huntsman Corp.	12,750	183,345
		417,096
Commercial Banks 0.2%		
CIT Group, Inc. (a)	15,830	597,741
Communications Equipment 0.3%		
Loral Space & Communications Ltd.	11,463	841,614
Containers & Packaging 0.0%		
Smurfit Kappa Plc (a)	3,634	29,647
Diversified Financial Services 0.5%		
Kcad Holdings I Ltd.	210,194,127	1,393,797
Diversified Telecommunication Services 0.2%		
Level 3 Communications, Inc. (a)	20,920	450,826
Electrical Equipment 0.0%		
Medis Technologies Ltd.	67,974	204
Energy Equipment & Services 1.0%		
Laricina Energy Ltd. (a)	35,294	1,521,679
Osum Oil Sands Corp. (a)	74,000	938,372
		2,460,051
Hotels, Restaurants & Leisure 0.0%		
Travelport Worldwide Ltd.	70,685	9,189
Media 2.2%		
Belo Corp., Class A	20,724	151,285
Charter Communications, Inc. (a)	65,816	5,120,485
Clear Channel Outdoor Holdings, Inc., Class A (a)	8,934	46,903
Cumulus Media, Inc., Class A (a)	88,000	243,760
DISH Network Corp., Class A	5,420	173,386
		5,735,819
Metals & Mining 0.1%		
African Minerals Ltd. (a)	40,400	161,685
Oil, Gas & Consumable Fuels 0.1%		
African Petroleum Corp. Ltd. (a)	180,300	230,983
Paper & Forest Products 0.1%		
Ainsworth Lumber Co. Ltd. (a)(b)	41,686	91,344
Ainsworth Lumber Co. Ltd. (a)	36,744	80,514
Western Forest Products, Inc. (a)	147,968	160,615
Western Forest Products, Inc. (a)(b)	41,528	45,077

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377,550

Common Stocks	Shares	Value
Semiconductors & Semiconductor Equipment 0.3%		
NXP Semiconductors NV (a)	5,000	\$ 116,600
Spansion, Inc., Class A (a)	60,342	689,709
SunPower Corp.	123	551
		806,860
Software 0.2%		
Bankruptcy Management Solutions, Inc. (a)	468	5
HMH Holdings/EduMedia	19,102	468,005
		468,010
Total Common Stocks 8.1%		21,066,420

	Par	
Corporate Bonds	(000)	
Aerospace & Defense 0.7%		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 210	224,700
7.13%, 3/15/21	295	319,338
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	796	847,740
Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (b)	405	366,463
		1,758,241
Air Freight & Logistics 0.4%		
National Air Cargo Group, Inc.:		
Series 1 12.38%, 9/02/15	548	558,607
Series 2 12.38%, 8/16/15	555	565,094
		1,123,701
Airlines 1.5%		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	1,007	1,067,798
Continental Airlines, Inc.:		
Series 1997-4, Class B 6.90%, 7/02/18	268	267,785
Series 2010-1, Class B 6.00%, 7/12/20	355	357,812
Delta Air Lines, Inc.:		
Series 2002-1, Class G-1 6.72%, 7/02/24	555	601,640
Series 2009-1 Series B 9.75%, 6/17/18	173	187,232
Series 2010-1, Class B 6.38%, 7/02/17	447	447,000
US Airways Pass Through Trust:		
Series 2011-1, Class C 10.88%, 10/22/14	620	635,357
Series 2012-1, Class C 9.13%, 10/01/15	420	428,400
		3,993,024

Auto Components 2.1%		
Dana Holding Corp., 6.75%, 2/15/21	410	441,775
Delphi Corp., 6.13%, 5/15/21	150	165,000
Icahn Enterprises LP, 8.00%, 1/15/18	2,995	3,189,675
IDQ Holdings, Inc., 11.50%, 4/01/17 (b)	355	371,419
International Automotive Components Group SL, 9.13%, 6/01/18 (b)	40	38,350
Jaguar Land Rover Plc, 8.25%, 3/15/20	GBP 439	735,238
Titan International, Inc., 7.88%, 10/01/17	USD 430	450,425
		5,391,882

Portfolio Abbreviations

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

AUD	Australian Dollar
CAD	Canadian Dollar
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ETF	Exchange Traded Fund
EUR	Euro
FKA	Formerly Known As
GBP	British Pound
LIBOR	London Interbank Offered Rate
PIK	Payment in-Kind
SPDR	Standard and Poor's Depository Receipts
USD	US Dollar

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par		Value
Corporate Bonds	(000)		
Beverages 0.2%			
Crown European Holdings SA:			
7.13%, 8/15/18 (b)	EUR 227		\$ 314,073
7.13%, 8/15/18	171		236,592
			550,665
Biotechnology 0.0%			
QHP Royalty Sub LLC, 10.25%, 3/15/15 (b)	USD 53		53,117
Building Products 0.8%			
Building Materials Corp. of America (b):			
7.00%, 2/15/20	500		541,250
6.75%, 5/01/21	710		775,675
Momentive Performance Materials, Inc., 11.50%, 12/01/16	340		207,400
USG Corp., 9.75%, 1/15/18	550		589,875
			2,114,200
Capital Markets 0.8%			
E*Trade Financial Corp.:			
12.50%, 11/30/17 (c)	980		1,118,425
2.25%, 8/31/19 (b)(d)(e)	226		193,230
KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b)	600		679,171
			1,990,826
Chemicals 4.3%			
Basell Finance Co. BV, 8.10%, 3/15/27 (b)	380		507,300
Celanese US Holdings LLC, 5.88%, 6/15/21	1,640		1,812,200
Chemtura Corp., 7.88%, 9/01/18	285		307,087
Hexion US Finance Corp.:			
6.63%, 4/15/20	215		217,150
9.00%, 11/15/20	285		243,675
Huntsman International LLC, 8.63%, 3/15/21	155		177,475
INEOS Finance Plc (b):			
8.38%, 2/15/19	835		878,837
7.50%, 5/01/20	405		413,100
INEOS Group Holdings Plc, 8.50%, 2/15/16 (b)	135		127,238
Kinove German Bondco GmbH, 10.00%, 6/15/18	EUR 315		431,866
Kraton Polymers LLC, 6.75%, 3/01/19	USD 115		117,875
LyondellBasell Industries NV, 5.75%, 4/15/24	2,590		2,933,175
Nexeo Solutions LLC, 8.38%, 3/01/18	170		166,175
OXEA Finance/Cy SCA, 9.63%, 7/15/17 (b)	EUR 330		457,743
PolyOne Corp., 7.38%, 9/15/20	USD 200		218,500
TPC Group LLC, 8.25%, 10/01/17	310		340,225
Tronox Finance LLC, 6.38%, 8/15/20 (b)	1,740		1,757,400
			11,107,021
Commercial Banks 1.1%			
CIT Group, Inc.:			
7.00%, 5/02/16 (b)	901		904,569
5.25%, 3/15/18	510		531,675
5.50%, 2/15/19 (b)	490		510,825
5.00%, 8/15/22	530		534,015
6.00%, 4/01/36	500		452,915

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			2,933,999
Commercial Services & Supplies 2.0%			
ARAMARK Corp., 8.50%, 2/01/15		330	338,253
ARAMARK Holdings Corp., 8.63%, 5/01/16 (b)(c)		405	414,623
Aviation Capital Group Corp., 6.75%, 4/06/21 (b)		500	513,375
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)		24	24,240
Casella Waste Systems, Inc., 7.75%, 2/15/19		430	425,700
Clean Harbors, Inc., 5.25%, 8/01/20 (b)		484	496,705
Covanta Holding Corp., 6.38%, 10/01/22		585	639,623
EC Finance Plc, 9.75%, 8/01/17	EUR	300	391,019
Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (b)	USD	205	216,788
	Par		
Corporate Bonds		(000)	Value
Commercial Services & Supplies (concluded)			
Mobile Mini, Inc., 7.88%, 12/01/20	USD	335	\$ 359,287
RSC Equipment Rental, Inc., 8.25%, 2/01/21		800	876,000
Verisure Holding AB:			
8.75%, 9/01/18	EUR	169	212,568
8.75%, 12/01/18		100	111,315
West Corp., 8.63%, 10/01/18	USD	125	126,875
			5,146,371
Communications Equipment 1.8%			
Avaya, Inc., 9.75%, 11/01/15		650	563,875
Frontier Communications Corp., 6.25%, 1/15/13		830	844,525
Hughes Satellite Systems Corp., 6.50%, 6/15/19		370	396,362
Zayo Group LLC/Zayo Capital, Inc.:			
8.13%, 1/01/20		1,420	1,508,750
10.13%, 7/01/20		1,160	1,244,100
			4,557,612
Computers & Peripherals 0.1%			
SanDisk Corp., 1.50%, 8/15/17 (e)		200	221,500
Construction & Engineering 0.2%			
Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (b)		175	181,563
H&E Equipment Services, Inc., 7.00%, 9/01/22 (b)		305	316,437
URS Corp., 5.00%, 4/01/22 (b)		65	65,909
			563,909
Construction Materials 1.4%			
HD Supply, Inc. (b):			
8.13%, 4/15/19		1,425	1,546,125
11.00%, 4/15/20		1,350	1,485,000
Xefin Lux SCA:			
8.00%, 6/01/18 (b)	EUR	233	285,741
8.00%, 6/01/18		200	245,271
			3,562,137
Consumer Finance 0.8%			
Credit Acceptance Corp., 9.13%, 2/01/17	USD	435	478,500
Ford Motor Credit Co. LLC:			
7.00%, 4/15/15		480	534,327
12.00%, 5/15/15		670	834,150
6.63%, 8/15/17		131	150,595
			1,997,572
Containers & Packaging 1.8%			
Ardagh Packaging Finance Plc:			
7.38%, 10/15/17 (b)		200	214,250
7.38%, 10/15/17 (b)	EUR	335	445,592
7.38%, 10/15/17		200	266,025
9.13%, 10/15/20 (b)	USD	365	379,600
9.13%, 10/15/20 (b)		205	214,225
9.13%, 10/15/20 (b)		204	212,670

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Berry Plastics Corp.:			
4.34%, 9/15/14 (f)		275	270,875
8.25%, 11/15/15		110	115,775
9.75%, 1/15/21		390	431,925
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR	617	760,541
GCL Holdings SCA, 9.38%, 4/15/18 (b)		244	297,696
Graphic Packaging International, Inc., 7.88%, 10/01/18	USD	340	379,100
OI European Group BV, 6.88%, 3/31/17	EUR	152	197,399
Sealed Air Corp., 8.38%, 9/15/21 (b)	USD	175	196,875
Tekni-Plex, Inc., 9.75%, 6/01/19 (b)		165	172,425
			4,554,973

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Distributors 0.6%		
VWR Funding, Inc., 7.25%, 9/15/17 (b)(g)	USD 1,485	\$ 1,503,563
Diversified Consumer Services 1.5%		
Laureate Education, Inc., 9.25%, 9/01/19 (b)	555	555,000
Service Corp. International, 7.00%, 6/15/17	2,800	3,192,000
ServiceMaster Co., 8.00%, 2/15/20	175	186,594
		3,933,594
Diversified Financial Services 4.1%		
Aircastle Ltd., 6.75%, 4/15/17	430	464,400
Ally Financial, Inc.:		
7.50%, 12/31/13	350	374,062
8.00%, 11/01/31	2,705	3,198,662
8.00%, 11/01/31	560	664,717
CNG Holdings, Inc., 9.38%, 5/15/20 (b)	280	285,600
DPL, Inc., 7.25%, 10/15/21 (b)	1,075	1,225,500
Gala Group Finance Plc, 8.88%, 9/01/18	GBP 300	444,201
General Motors Financial Co., Inc., 6.75%, 6/01/18	USD 270	299,361
Leucadia National Corp., 8.13%, 9/15/15	790	890,725
Reynolds Group Issuer, Inc.:		
7.75%, 10/15/16	EUR 187	242,853
7.13%, 4/15/19	USD 230	247,825
9.75%, 4/15/19	260	264,225
7.88%, 8/15/19	315	350,438
9.88%, 8/15/19	955	1,009,912
8.25%, 2/15/21	125	122,813
WMG Acquisition Corp.:		
9.50%, 6/15/16	110	120,175
11.50%, 10/01/18	382	419,245
		10,624,714
Diversified Telecommunication Services 2.3%		
Broadview Networks Holdings, Inc., 11.38%, 9/01/12 (a)(h)	1,000	675,000
Consolidated Communications Finance Co., 10.88%, 6/01/20 (b)	550	589,875
ITC Deltacom, Inc., 10.50%, 4/01/16	260	280,150
Level 3 Communications, Inc., 8.88%, 6/01/19 (b)	295	300,900
Level 3 Financing, Inc.:		
8.13%, 7/01/19	1,224	1,282,140
7.00%, 6/01/20 (b)	525	522,375
8.63%, 7/15/20	785	839,950
OTE Plc, 5.00%, 8/05/13	EUR 104	113,377
Telenet Finance V Luxembourg SCA:		
6.25%, 8/15/22	137	173,180
6.75%, 8/15/24	350	446,834
Windstream Corp.:		
8.13%, 8/01/13	USD 400	422,000
7.88%, 11/01/17	360	391,500
		6,037,281
Electric Utilities 0.7%		
Mirant Mid Atlantic Pass Through Trust, Series B, 9.13%, 6/30/17	269	289,152
The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14	EUR 1,150	1,439,671

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			1,728,823
Electrical Equipment	0.1%		
Belden, Inc., 5.50%, 9/01/22 (b)		USD 340	340,850
Electronic Equipment, Instruments & Components	0.5%		
CDW LLC/CDW Finance Corp., 8.50%, 4/01/19		354	387,630
Jabil Circuit, Inc., 8.25%, 3/15/18		215	258,000
Micron Technology, Inc., 2.38%, 5/01/32 (b)(e)		407	387,159
NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (b)		190	217,075
			1,249,864
		Par	
Corporate Bonds		(000)	Value
Energy Equipment & Services	3.4%		
Atwood Oceanics, Inc., 6.50%, 2/01/20		USD 130	\$ 138,775
Calfrac Holdings LP, 7.50%, 12/01/20 (b)		360	352,800
Compagnie Générale de Géophysique, Veritas: 7.75%, 5/15/17		235	245,575
6.50%, 6/01/21		1,150	1,197,437
Forbes Energy Services Ltd., 9.00%, 6/15/19		335	324,950
FTS International Services LLC/ FTS International Bonds Inc., 8.13%, 11/15/18 (b)		1,615	1,667,487
Gulfmark Offshore, Inc., 6.38%, 3/15/22 (b)		145	147,900
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20		290	295,800
Key Energy Services, Inc., 6.75%, 3/01/21		415	422,263
MEG Energy Corp. (b): 6.50%, 3/15/21		1,105	1,163,012
6.38%, 1/30/23		415	432,638
Oil States International, Inc., 6.50%, 6/01/19		290	308,125
Peabody Energy Corp.: 6.25%, 11/15/21 (b)		1,285	1,307,487
7.88%, 11/01/26		345	368,288
Precision Drilling Corp.: 6.63%, 11/15/20		70	73,500
6.50%, 12/15/21		275	288,750
			8,734,787
Food & Staples Retailing	0.2%		
Bakkavor Finance 2 Plc, 8.25%, 2/15/18		GBP 100	139,731
Rite Aid Corp., 9.25%, 3/15/20		USD 345	354,487
			494,218
Food Products	0.4%		
Darling International, Inc., 8.50%, 12/15/18		105	118,913
Del Monte Corp., 7.63%, 2/15/19		56	55,930
Post Holdings, Inc., 7.38%, 2/15/22 (b)		405	426,769
Smithfield Foods, Inc., 6.63%, 8/15/22		531	543,611
			1,145,223
Health Care Equipment & Supplies	1.5%		
Biomet, Inc.: 10.00%, 10/15/17		180	190,463
6.50%, 8/01/20 (b)		645	669,187
DJO Finance LLC: 10.88%, 11/15/14		476	496,825
8.75%, 3/15/18 (b)		415	440,937
7.75%, 4/15/18		95	86,925
Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (b)		192	215,280
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (b)		600	637,500
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)		500	575,625
Kinetic Concepts, Inc./KCI USA, Inc., 12.50%, 11/01/19 (b)		255	231,413
Teleflex, Inc., 6.88%, 6/01/19		270	288,900
			3,833,055
Health Care Providers & Services	7.3%		

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Aviv Healthcare Properties LP, 7.75%, 2/15/19	520	540,800
CHS/Community Health Systems, Inc.:		
5.13%, 8/15/18	785	809,531
7.13%, 7/15/20	415	434,712
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)	EUR 400	538,338
Crown Newco 3 Plc, 7.00%, 2/15/18 (b)	GBP 331	529,521
DaVita, Inc., 5.75%, 8/15/22	USD 849	882,960
HCA, Inc.:		
8.50%, 4/15/19	120	135,300
6.50%, 2/15/20	2,160	2,373,300
7.88%, 2/15/20	85	94,881
7.25%, 9/15/20	2,405	2,665,041
5.88%, 3/15/22	250	265,938

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par	
Corporate Bonds	(000)	Value
Health Care Providers & Services (concluded)		
Hologic, Inc., 6.25%, 8/01/20 (b)	USD 1,464	\$ 1,550,010
IASIS Healthcare LLC, 8.38%, 5/15/19	1,420	1,354,325
INC Research LLC, 11.50%, 7/15/19 (b)	375	367,500
inVentiv Health, Inc., 10.00%, 8/15/18 (b)	115	96,888
Omnicare, Inc., 7.75%, 6/01/20	905	997,762
PSS World Medical, Inc., 6.38%, 3/01/22	307	324,653
Symbion, Inc., 8.00%, 6/15/16	315	318,347
Tenet Healthcare Corp.:		
10.00%, 5/01/18	792	910,800
6.25%, 11/01/18	300	325,687
8.88%, 7/01/19	2,355	2,678,812
United Surgical Partners International, Inc.,		
9.00%, 4/01/20 (b)	270	289,913
Vanguard Health Holding Co. II LLC,		
7.75%, 2/01/19 (b)	425	443,062
		18,928,081
Health Care Technology 1.0%		
IMS Health, Inc., 12.50%, 3/01/18 (b)	2,235	2,626,125
Hotels, Restaurants & Leisure 4.6%		
Affinity Gaming LLC/Affinity Gaming Finance Corp., 9.00%, 5/15/18 (b)	265	269,638
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	1,270	1,368,425
10.00%, 12/15/18	2,935	1,849,050
8.50%, 2/15/20 (b)	280	276,150
Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b)	1,533	1,525,335
Carlson Wagonlit BV, 6.88%, 6/15/19 (b)	295	306,800
Cirsa Funding Luxembourg SA, 8.75%, 5/15/18	EUR 202	222,951
Diamond Resorts Corp., 12.00%, 8/15/18	USD 1,100	1,170,125
El Dorado Resorts LLC, 8.63%, 6/15/19 (b)	125	121,875
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 296	406,553
Gategroup Finance Luxembourg SA,		
6.75%, 3/01/19	EUR 250	321,525
Little Traverse Bay Bands of Odawa Indians,		
9.00%, 8/31/20 (b)	USD 270	245,700
MGM Resorts International:		
10.38%, 5/15/14	175	198,625
4.25%, 4/15/15 (e)	996	1,005,960
11.13%, 11/15/17	1,315	1,462,937
MTR Gaming Group, Inc., 11.50%, 8/01/19 (c)	136	139,406
Travelport LLC:		
5.09%, 9/01/14 (f)	165	117,150
9.88%, 9/01/14	35	27,825
9.00%, 3/01/16	110	78,100
6.46%, 12/01/16 (b)(c)	385	297,456
Tropicana Entertainment LLC,		
9.63%, 12/15/14 (a)(h)	315	315,000
Wynn Las Vegas LLC, 5.38%, 3/15/22 (b)	565	577,713
		11,989,299
Household Durables 1.7%		
Beazer Homes USA, Inc., 6.63%, 4/15/18 (b)	30	30,675
Jarden Corp., 7.50%, 1/15/20	EUR 285	386,255

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Libbey Glass, Inc., 6.88%, 5/15/20 (b)	USD	560	597,100
Pulte Group, Inc., 6.38%, 5/15/33		175	152,250
Ryland Group, Inc., 6.63%, 5/01/20		315	332,325
Spie BondCo 3 SCA, 11.00%, 8/15/19	EUR	276	352,360
Standard Pacific Corp.:			
10.75%, 9/15/16	USD	1,285	1,551,637
8.38%, 1/15/21		955	1,064,825
			4,467,427
	Par		
Corporate Bonds	(000)		Value
Household Products 0.3%			
Ontex IV SA:			
7.50%, 4/15/18 (b)	EUR	130	\$ 165,967
9.00%, 4/15/19		213	246,478
Spectrum Brands Holdings, Inc., 9.50%, 6/15/18	USD	330	376,613
			789,058
Independent Power Producers & Energy Traders 3.3%			
The AES Corp., 7.38%, 7/01/21		250	286,250
Calpine Corp. (b):			
7.25%, 10/15/17		165	176,550
7.50%, 2/15/21		95	105,450
7.88%, 1/15/23		405	457,650
Energy Future Holdings Corp., 10.00%, 1/15/20		1,765	1,945,913
Energy Future Intermediate Holding Co. LLC:			
6.88%, 8/15/17 (b)		280	285,950
10.00%, 12/01/20		2,786	3,127,285
11.75%, 3/01/22 (b)		547	582,555
GenOn REMA LLC, 9.24%, 7/02/17		222	238,967
Laredo Petroleum, Inc.:			
9.50%, 2/15/19		445	505,075
7.38%, 5/01/22		345	370,875
QEP Resources, Inc., 5.38%, 10/01/22		305	312,625
			8,395,145
Industrial Conglomerates 2.4%			
Sequa Corp. (b):			
11.75%, 12/01/15		2,190	2,299,500
13.50%, 12/01/15		3,759	3,984,277
			6,283,777
Insurance 1.0%			
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)		1,600	1,654,000
CNO Financial Group, Inc., 9.00%, 1/15/18 (b)		339	370,781
Genworth Financial, Inc., 7.63%, 9/24/21		390	398,502
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)		235	210,325
			2,633,608
IT Services 3.1%			
Ceridian Corp., 8.88%, 7/15/19 (b)		1,355	1,453,237
Epicor Software Corp., 8.63%, 5/01/19		510	525,300
First Data Corp.:			
7.38%, 6/15/19 (b)		1,445	1,491,962
8.88%, 8/15/20 (b)		495	539,550
6.75%, 11/01/20 (b)		815	808,888
8.25%, 1/15/21 (b)		570	565,013
12.63%, 1/15/21		1,528	1,547,100
SunGard Data Systems, Inc.:			
7.38%, 11/15/18		500	531,250
7.63%, 11/15/20		550	589,875
			8,052,175
Machinery 1.1%			
SPX Corp., 6.88%, 9/01/17		160	177,600

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UR Merger Sub Corp. (b):		
5.75%, 7/15/18	236	249,570
7.38%, 5/15/20	405	429,300
7.63%, 4/15/22	1,935	2,089,800
		2,946,270
Media 13.1%		
Affinion Group, Inc., 7.88%, 12/15/18	745	532,675
AMC Networks, Inc., 7.75%, 7/15/21	205	232,163
CCH II LLC, 13.50%, 11/30/16	982	1,075,689
CCO Holdings LLC:		
6.50%, 4/30/21	431	462,247
5.25%, 9/30/22	900	891,000
Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (b)	1,055	1,110,387

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par		Value
Corporate Bonds	(000)		
Media (concluded)			
Checkout Holding Corp., 16.00%, 11/15/15 (b)(d)	USD 615		\$ 375,150
Cinemark USA, Inc., 8.63%, 6/15/19	200		224,000
Clear Channel Communications, Inc., 9.00%, 3/01/21	409		350,718
Clear Channel Worldwide Holdings, Inc.:			
Series A, 9.25%, 12/15/17	1,379		1,492,767
Series B, 9.25%, 12/15/17	4,816		5,231,380
Series B, 7.63%, 3/15/20	1,494		1,449,180
Cox Enterprises, Inc. (b):			
Loan Close 2, 12.00%, 8/15/18	655		655,708
Loan Close 3, 12.00%, 8/15/18	749		749,663
Shares Loan, 12.00%, 8/15/18	773		773,166
CSC Holdings LLC, 8.50%, 4/15/14	370		406,538
DISH DBS Corp., 5.88%, 7/15/22 (b)	680		685,100
Harron Communications LP, 9.13%, 4/01/20 (b)	300		324,750
Intelsat Jackson Holdings SA:			
11.25%, 6/15/16	812		854,630
7.25%, 10/15/20 (b)	750		808,125
Intelsat Luxembourg SA:			
11.25%, 2/04/17	560		588,000
11.50%, 2/04/17 (c)	1,100		1,155,000
Interactive Data Corp., 10.25%, 8/01/18	1,235		1,392,462
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	315		352,013
Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (b)	EUR 315		426,913
Lamar Media Corp., 5.88%, 2/01/22	USD 130		137,800
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	675		722,250
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b)	513		571,995
Nielsen Finance LLC:			
11.63%, 2/01/14	45		51,075
7.75%, 10/15/18	2,085		2,345,625
Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b)	GBP 189		297,853
ProQuest LLC, 9.00%, 10/15/18 (b)	USD 460		422,050
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(c)(h)	812		406
Truven Health Analytics, Inc., 10.63%, 6/01/20 (b)	470		501,725
Unitymedia GmbH:			
9.63%, 12/01/19	EUR 158		223,326
9.63%, 12/01/19 (b)	530		749,130
9.50%, 3/15/21	385		552,654
Unitymedia Hessen GmbH & Co. KG:			
8.13%, 12/01/17 (b)	USD 817		884,402
8.13%, 12/01/17 (b)	EUR 122		165,536
7.50%, 3/15/19	722		994,404
UPC Holding BV, 9.88%, 4/15/18 (b)	USD 400		449,000
UPCB Finance II Ltd.:			
6.38%, 7/01/20 (b)	EUR 753		989,744
6.38%, 7/01/20	300		394,320
WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)	USD 275		283,250
Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)	EUR 343		473,489
Ziggo Finance BV, 6.13%, 11/15/17 (b)	56		75,191
			33,884,649
Metals & Mining 3.8%			
Eco-Bat Finance Plc, 7.75%, 2/15/17	435		552,614
FMG Resources August 2006 Property Ltd. (b):			

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6.88%, 2/01/18	USD	325	309,563
6.88%, 4/01/22		165	151,800
Global Brass and Copper, Inc., 9.50%, 6/01/19 (b)		275	289,438
Goldcorp, Inc., 2.00%, 8/01/14 (e)		970	1,117,925
Kaiser Aluminum Corp., 8.25%, 6/01/20 (b)		205	217,300
New Gold, Inc., 7.00%, 4/15/20 (b)		140	147,350
New World Resources NV, 7.88%, 5/01/18	EUR	627	784,697
	Par		
Corporate Bonds		(000)	Value
Metals & Mining (concluded)			
Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e)	USD	1,345	\$ 1,709,831
Novelis, Inc., 8.75%, 12/15/20		3,045	3,402,787
Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19	EUR	295	299,624
Steel Dynamics, Inc., 6.38%, 8/15/22 (b)	USD	225	232,875
Taseko Mines Ltd., 7.75%, 4/15/19		385	366,713
Vedanta Resources Plc, 8.25%, 6/07/21 (b)		245	233,975
			9,816,492
Multiline Retail 0.3%			
Dollar General Corp., 4.13%, 7/15/17		727	756,080
Oil, Gas & Consumable Fuels 10.9%			
Access Midstream Partners LP, 6.13%, 7/15/22		250	259,375
Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e)		746	669,535
Alpha Natural Resources, Inc.:			
6.00%, 6/01/19		290	261,000
6.25%, 6/01/21		240	214,800
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b)		610	637,450
Berry Petroleum Co., 6.38%, 9/15/22		375	399,375
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (b)		235	239,700
CCS, Inc., 11.00%, 11/15/15 (b)		520	538,200
Chaparral Energy, Inc., 7.63%, 11/15/22 (b)		205	216,788
Chesapeake Energy Corp.:			
7.25%, 12/15/18		15	15,713
6.63%, 8/15/20		165	169,538
6.88%, 11/15/20		160	166,000
6.13%, 2/15/21		545	540,912
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)		103	109,695
Concho Resources, Inc.:			
7.00%, 1/15/21		150	167,250
6.50%, 1/15/22		100	108,000
5.50%, 10/01/22		430	443,975
Consol Energy, Inc., 8.25%, 4/01/20		1,625	1,750,937
Continental Resources, Inc., 7.13%, 4/01/21		340	380,800
Copano Energy LLC, 7.13%, 4/01/21		275	287,375
Crosstex Energy LP:			
8.88%, 2/15/18		165	176,138
7.13%, 6/01/22 (b)		140	139,300
Crown Oil Partners IV LP, 15.00%, 3/07/15		545	545,482
Denbury Resources, Inc., 8.25%, 2/15/20		42	47,670
Energy XXI Gulf Coast, Inc.:			
9.25%, 12/15/17		510	568,650
7.75%, 6/15/19		815	865,937
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (b)		315	337,837
EP Energy LLC/Everest Acquisition Finance, Inc., 7.75%, 9/01/22 (b)		195	195,488
EV Energy Partners LP, 8.00%, 4/15/19		140	144,550
Hilcorp Energy I LP, 7.63%, 4/15/21 (b)		690	759,000
Holly Energy Partners LP, 6.50%, 3/01/20 (b)		145	151,525
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)		320	340,000
Linn Energy LLC:			
6.50%, 5/15/19 (b)		90	89,550
6.25%, 11/01/19 (b)		1,865	1,841,687
8.63%, 4/15/20		205	221,400
7.75%, 2/01/21		185	192,863
MarkWest Energy Partners LP:			
6.25%, 6/15/22		75	79,688

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5.50%, 2/15/23	200	204,500
Newfield Exploration Co., 6.88%, 2/01/20	715	781,137
Northern Oil and Gas, Inc., 8.00%, 6/01/20 (b)	285	290,700
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	240	253,200
6.50%, 11/01/21	270	275,400

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par	
Corporate Bonds	(000)	Value
Oil, Gas & Consumable Fuels (concluded)		
Offshore Group Investments Ltd.:		
11.50%, 8/01/15 (b)	USD 1,215	\$ 1,342,575
11.50%, 8/01/15	300	331,500
OGX Petroleo e Gas Participacoes SA (b):		
8.50%, 6/01/18	2,057	1,825,587
8.38%, 4/01/22	640	544,000
PBF Holding Co. LLC, 8.25%, 2/15/20 (b)		
	275	287,375
PetroBakken Energy Ltd., 8.63%, 2/01/20 (b)		
	1,105	1,129,862
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)		
	530	565,775
Pioneer Natural Resources Co.:		
6.88%, 5/01/18	425	514,547
7.50%, 1/15/20	135	168,840
Range Resources Corp.:		
8.00%, 5/15/19	345	381,225
5.75%, 6/01/21	900	957,375
5.00%, 8/15/22	403	419,624
Sabine Pass Liquefied Natural Gas LP, 7.50%, 11/30/16		
	560	599,200
Samson Investment Co., 9.75%, 2/15/20 (b)		
	78	80,340
SandRidge Energy, Inc.:		
7.50%, 3/15/21 (b)	630	637,875
7.50%, 3/15/21	230	232,875
8.13%, 10/15/22 (b)	235	245,575
7.50%, 2/15/23 (b)	515	517,575
SESI LLC:		
6.38%, 5/01/19	300	318,000
7.13%, 12/15/21	215	239,188
SM Energy Co.:		
6.63%, 2/15/19	120	125,400
6.50%, 11/15/21	240	250,800
6.50%, 1/01/23 (b)	115	119,888
Vanguard Natural Resources, 7.88%, 4/01/20		
	250	250,000
		28,163,121
Paper & Forest Products 1.3%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)		
	372	338,190
Boise Paper Holdings LLC:		
9.00%, 11/01/17	55	60,913
8.00%, 4/01/20	105	116,025
Clearwater Paper Corp.:		
10.63%, 6/15/16	370	413,475
7.13%, 11/01/18	535	584,487
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (b)		
	315	326,025
NewPage Corp., 11.38%, 12/31/14 (a)(h)		
	1,935	1,310,962
Sappi Papier Holding GmbH (b):		
8.38%, 6/15/19	200	210,500
6.63%, 4/15/21	120	111,000
		3,471,577
Pharmaceuticals 1.0%		
Capsugel Finance Co. SCA:		
9.88%, 8/01/19 (b)	EUR 200	281,118
9.88%, 8/01/19	100	140,559
Pharmaceutical Product Development, Inc., 9.50%, 12/01/19 (b)		
	USD 160	178,400

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Spectrum Brands, Inc., 6.75%, 3/15/20 (b)	240	252,000
Valeant Pharmaceuticals International (b):		
6.50%, 7/15/16	1,140	1,202,700
6.75%, 8/15/21	520	527,800
		2,582,577
Professional Services 0.4%		
FTI Consulting, Inc., 6.75%, 10/01/20	850	907,375
	Par	
Corporate Bonds	(000)	Value
Real Estate Investment Trusts (REITs) 0.7%		
Felcor Lodging LP, 6.75%, 6/01/19	USD 1,110	\$ 1,190,475
The Rouse Co. LP, 6.75%, 11/09/15	480	505,800
		1,696,275
Real Estate Management & Development 2.3%		
CBRE Services, Inc., 6.63%, 10/15/20	310	338,675
Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (b)	650	666,250
Forest City Enterprises, Inc., 7.63%, 6/01/15	392	389,795
Realogy Corp.:		
11.50%, 4/15/17	360	382,500
12.00%, 4/15/17	90	94,275
7.88%, 2/15/19 (b)	1,895	1,951,850
7.63%, 1/15/20 (b)	465	506,850
9.00%, 1/15/20 (b)	305	329,400
Shea Homes LP, 8.63%, 5/15/19	1,145	1,273,812
		5,933,407
Road & Rail 1.3%		
Florida East Coast Railway Corp., 8.13%, 2/01/17	410	430,500
The Hertz Corp.:		
7.50%, 10/15/18	505	544,769
6.75%, 4/15/19 (b)	265	278,250
7.38%, 1/15/21	380	413,250
Hertz Holdings Netherlands BV:		
8.50%, 7/31/15	EUR 172	234,730
8.50%, 7/31/15 (b)	1,031	1,407,019
		3,308,518
Semiconductors & Semiconductor Equipment 0.2%		
Spansion LLC, 7.88%, 11/15/17	USD 540	526,500
Software 1.3%		
Audatex North America, Inc., 6.75%, 6/15/18 (b)	480	514,800
Infor US, Inc., 9.38%, 4/01/19 (b)	1,520	1,645,400
Nuance Communications, Inc., 5.38%, 8/15/20 (b)	805	823,112
Sophia LP, 9.75%, 1/15/19 (b)	408	438,600
		3,421,912
Specialty Retail 2.8%		
Asbury Automotive Group, Inc., 8.38%, 11/15/20	335	370,175
Claire's Stores, Inc., 9.00%, 3/15/19 (b)	450	466,875
House of Fraser Funding Plc, 8.88%, 8/15/18	GBP 480	677,377
Limited Brands, Inc.:		
8.50%, 6/15/19	USD 745	894,000
5.63%, 2/15/22	150	157,875
Party City Holdings, Inc., 8.88%, 8/01/20 (b)	729	770,917
Penske Automotive Group, Inc.,		
5.75%, 10/01/22 (b)	495	504,900
Phones4u Finance Plc, 9.50%, 4/01/18 (b)	GBP 370	566,942
QVC, Inc. (b):		
7.13%, 4/15/17	USD 210	222,122
7.50%, 10/01/19	565	626,028
7.38%, 10/15/20	270	300,853
5.13%, 7/02/22	392	410,872
Sally Holdings LLC:		

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6.88%, 11/15/19	500	558,750
5.75%, 6/01/22	400	430,500
Sonic Automotive, Inc., 9.00%, 3/15/18	345	376,913
		7,335,099
Textiles, Apparel & Luxury Goods 0.2%		
Levi Strauss & Co., 6.88%, 5/01/22	400	415,000
Trading Companies & Distributors 0.6%		
Ashtead Capital, Inc., 6.50%, 7/15/22 (b)	455	473,200
Doric Nimrod Air Finance Alpha Ltd. (b):		
Series 2012-1, Class A, 5.13%, 11/30/24	550	558,250
Series 2012-1, Class B, 6.50%, 5/30/21	530	536,265
		1,567,715

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BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Transportation Infrastructure 0.2%		
Aguila 3 SA, 7.88%, 1/31/18 (b)	USD 398	\$ 419,393
Wireless Telecommunication Services 4.2%		
Cricket Communications, Inc.:		
7.75%, 5/15/16	226	238,430
7.75%, 10/15/20	205	198,850
Digicel Group Ltd. (b):		
9.13%, 1/15/15	1,711	1,727,738
8.25%, 9/01/17	1,135	1,203,100
10.50%, 4/15/18	900	972,000
Matterhorn Mobile Holdings SA, 8.25%, 2/15/20	EUR 190	258,698
MetroPCS Wireless, Inc., 6.63%, 11/15/20	USD 710	734,850
NII Capital Corp., 7.63%, 4/01/21	324	250,290
SBA Telecommunications, Inc., 5.75%, 7/15/20 (b)	262	273,790
Sprint Capital Corp., 6.88%, 11/15/28	1,876	1,697,780
Sprint Nextel Corp. (b):		
9.00%, 11/15/18	1,590	1,876,200
7.00%, 3/01/20	1,220	1,335,900
		10,767,626
Total Corporate Bonds 105.7%		273,331,003
Floating Rate Loan Interests (f)		
Airlines 0.2%		
Delta Air Lines, Inc., Credit Term Loan B, 5.50%, 4/20/17	395	397,607
Auto Components 0.5%		
Federal-Mogul Corp., Term Loan B, 2.17% 2.18%, 12/29/14	895	854,406
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	360	361,051
		1,215,457
Building Products 0.1%		
Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17	318	322,360
Capital Markets 0.7%		
American Capital Holdings, Term Loan, 5.50%, 7/19/16	743	745,786
Nuveen Investments, Inc.:		
Incremental Term Loan, 7.25%, 5/13/17	600	602,700
Second Lien Term Loan, 8.25%, 2/28/19	380	382,375
		1,730,861
Chemicals 0.6%		
Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19	155	156,454
INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18	1,047	1,048,904
PQ Corp., Term Loan B, 3.98%, 7/30/14	313	307,178
		1,512,536
Communications Equipment 0.8%		
Avaya, Inc., Term Loan B1, 3.18%, 10/24/14	229	219,639

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Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19	1,905	1,932,985
		2,152,624
Construction & Engineering 0.7%		
Safeway Services LLC, Mezzanine Loan, 15.63%, 12/16/17	1,750	1,750,000
Construction Materials 0.4%		
HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17	1,045	1,067,645
	Par	
Floating Rate Loan Interests (f)	(000)	Value
Consumer Finance 1.5%		
Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17	USD 3,940	\$ 3,805,055
Diversified Consumer Services 0.1%		
Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18	134	131,018
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.74%, 7/24/14	8	7,539
Term Loan, 2.75% 2.97%, 7/24/14	76	75,702
		214,259
Diversified Financial Services 0.5%		
Residential Capital LLC:		
DIP Term Loan A1, 5.00%, 11/18/13	1,150	1,152,875
DIP Term Loan A2, 6.75%, 11/18/13	170	171,984
		1,324,859
Diversified Telecommunication Services 0.5%		
Level 3 Financing, Inc.:		
2016 Term Loan B, 4.75%, 2/01/16	645	646,290
2019 Term Loan B, 5.25%, 8/01/19	530	530,774
		1,177,064
Electronic Equipment, Instruments & Components 0.1%		
CDW LLC, Extended Term Loan, 4.00%, 7/14/17	251	247,978
Energy Equipment & Services 1.0%		
Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16	1,325	1,374,396
Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16	963	1,007,771
Tervita Corp., Incremental Term Loan, 6.50%, 10/17/14	249	248,544
		2,630,711
Food & Staples Retailing 0.0%		
US Foods, Inc.(FKA U.S. Foodservice, Inc.), Extended Term Loan B, 5.75%, 3/31/17	69	66,935
Food Products 0.1%		
Advance Pierre Foods, Term Loan (Second Lien), 11.75%, 9/29/17	200	201,200
Health Care Equipment & Supplies 0.3%		
Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19	440	441,465
LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18	260	261,950
		703,415
Health Care Providers & Services 0.5%		
Harden Healthcare LLC:		
Add on Term Loan A, 7.75%, 3/02/15	369	357,628
Term Loan A, 8.50%, 3/02/15	323	316,806
inVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16	698	649,917
		1,324,351
Hotels, Restaurants & Leisure 1.2%		
Caesars Entertainment Operating Co., Inc.:		
Extended Term Loan B6, 5.49%, 1/26/18	185	162,626
Incremental Term Loan B4, 9.50%, 10/31/16	448	456,533
Term Loan B1, 3.24%, 1/28/15	371	352,042
Term Loan B2, 3.24%, 1/28/15	409	388,020
Term Loan B3, 3.24% 3.46%, 1/28/15	895	848,628

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OSI Restaurant Partners LLC:

Revolver, 2.49% 4.50%, 6/14/13	9	8,463
Term Loan B, 2.56%, 6/14/14	86	85,297
Sabre, Inc., Non Extended Initial Term Loan, 2.23%, 9/30/14	57	56,665

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

	Par	Value
Floating Rate Loan Interests (f)	(000)	
Hotels, Restaurants & Leisure (concluded)		
Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16	USD 785	\$ 746,113
Travelport LLC:		
Extended Tranche A Term Loan, 6.44%, 9/28/12	177	53,166
Extended Tranche B Term Loan, 13.94%, 12/01/16	571	45,708
		3,203,261
Industrial Conglomerates 0.1%		
Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	164	163,986
Term Loan, 3.69% 3.72%, 12/03/14	140	139,038
		303,024
IT Services 0.3%		
Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17	62	62,323
First Data Corp., 2018 Term Loan B, 4.24%, 3/23/18	720	679,802
		742,125
Leisure Equipment & Products 0.2%		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	600	594,453
Machinery 0.5%		
Navistar International Corp., Term Loan B, 7.00%, 8/17/17	620	623,175
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	542	544,406
		1,167,581
Media 4.7%		
Affinion Group, Inc., Term Loan B, 5.00%, 7/15/15	40	33,616
Cengage Learning Acquisitions, Inc.:		
Non-Extended Term Loan, 2.49%, 7/03/14	293	270,168
Tranche 1 Incremental, Term Loan, 7.50%, 7/03/14	1,432	1,386,000
Cequel Communications LLC, Term Loan B, 4.00%, 2/14/19	399	398,170
Clear Channel Communications, Inc.:		
Term Loan B, 3.88%, 1/28/16	1,774	1,373,868
Term Loan C, 3.88%, 1/28/16	348	264,946
EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18	400	402,700
Intelsat Jackson Holdings SA, Tranche B Term Loan, 5.25%, 4/02/18	5,706	5,724,099
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	379	379,596
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,375	1,382,452
Thomson Reuters (Healthcare), Inc., Term Loan B, 6.75%, 6/06/19	345	347,443
Univision Communications, Inc., Extended Term Loan, 4.48%, 3/31/17	279	269,452
		12,232,510

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Metals & Mining 0.2%		
Constellium Holding Co. BV, Term Loan B, 9.25%, 5/25/18	390	382,200
Multiline Retail 0.5%		
HEMA Holding BV, Mezzanine, 8.64%, 7/05/17	EUR 1,154	1,205,001
Oil, Gas & Consumable Fuels 0.8%		
Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	USD 1,090	1,092,343
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	926	926,279
		2,018,622
	Par	
Floating Rate Loan Interests (f)	(000)	Value
Paper & Forest Products 0.4%		
Ainsworth Lumber Co. Ltd., Term Loan, 5.25%, 6/26/14 (g)	USD 360	\$ 348,300
Verso Paper Finance Holdings LLC, Term Loan, 6.49% 7.24%, 2/01/13	1,420	710,209
		1,058,509
Pharmaceuticals 0.1%		
Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	288	291,496
Real Estate Investment Trusts (REITs) 0.5%		
iStar Financial, Inc.:		
Term Loan A1, 5.00%, 6/28/13	1,388	1,389,104
Term Loan A2, 7.00%, 6/30/14	5	5,005
		1,394,109
Real Estate Management & Development 0.4%		
Realogy Corp.:		
Extended Letter of Credit Loan, 4.50%, 10/10/16	104	99,974
Extended Term Loan, 4.49%, 10/10/16	689	664,920
Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	170	169,150
		934,044
Semiconductors & Semiconductor Equipment 0.0%		
NXP BV, Term Loan A-2, 5.50%, 3/03/17	65	65,443
Software 0.4%		
Infor US, Inc. (FKA Lawson Software, Inc.), Term Loan B, 6.25%, 4/05/18	1,127	1,138,762
Specialty Retail 0.1%		
Claire's Stores, Inc., Term Loan B, 2.98% 3.20%, 5/29/14	356	349,553
Textiles, Apparel & Luxury Goods 0.4%		
Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	1,047	1,037,771
Wireless Telecommunication Services 0.0%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	54	54,320
Total Floating Rate Loan Interests 19.4%		50,017,701
	Beneficial Interest (000)	
Other Interests (i)		
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate	2,650	26
Media 0.0%		
Adelphia Escrow (a)	700	7
Adelphia Recovery Trust (a)	878	88
		95
Total Other Interests 0.0%		121
Preferred Securities	Par	
Capital Trusts 0.2%	(000)	

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Insurance 0.2%

Genworth Financial, Inc., 6.15%, 11/15/66 (f)	790	474,000
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See Notes to Consolidated Financial Statements.

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(continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value
Auto Components 0.4%		
Dana Holding Corp., 4.00% (b)(e)	7,570	\$ 884,744
Diversified Financial Services 1.4%		
Ally Financial, Inc., 7.00% (b)	4,023	3,663,319
Total Preferred Stocks 1.8%		4,548,063
Trust Preferreds		
Diversified Financial Services 0.8%		
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b)	70,660	1,746,206
RBS Capital Funding Trust VII, 6.08% (a)(f)(h)(j)	26,500	454,210
Total Trust Preferreds 0.8%		2,200,416
Total Preferred Securities 2.8%		7,222,479
Warrants (k)		
Health Care Providers & Services 0.0%		
HealthSouth Corp. (Expires 1/16/14)	29,930	
Media 0.0%		
New Vision Holdings LLC (Expires 9/30/14)	15	
Software 0.0%		
Bankruptcy Management Solutions, Inc. (Expires 9/28/17)	312	
HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)	1,070	
Total Warrants 0.0%		
Total Long-Term Investments (Cost \$345,014,624) 136.0%		351,637,724
Options Purchased	Contracts	
Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Group, Inc.	17	
Total Options Purchased (Cost \$16,622) 0.0%		
Total Investments (Cost \$345,031,246) 136.0%		351,637,724
Liabilities in Excess of Other Assets (36.0%)		(93,146,505)
Net Assets 100.0%		\$ 258,491,219

(a) Non-income producing security.

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

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

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

(e) Convertible security.

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

(g) When-issued security. Unsettled when-issued transaction was as follows:

Counterparty	Value	Unrealized Appreciation
Goldman Sachs Group, Inc.	\$ 1,851,863	\$ 15,413

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

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

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

(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.

Investments in issuers considered to be an affiliate of the Fund during the six months ended August 31, 2012, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	Shares Held at February 29, 2012	Net Activity	Shares Held at August 31, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	2,264,805	(2,264,805)		\$ 1,117

Financial futures contracts sold as of August 31, 2012 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
108	S&P 500 Index E-Mini	Chicago Mercantile	September 2012	\$ 7,587,540	\$ (522,208)

Foreign currency exchange contracts as of August 31, 2012 were as follows:

Currency Purchased	Currency Sold	Counter party	Settle ment Date	Unrealized Appreci ation (Depreci ation)
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GBP	103,000	USD	159,655	Credit Suisse Group AG	10/17/12	\$	3,869
GBP	148,000	USD	232,085	UBS AG	10/17/12		2,883
USD	68,178	AUD	67,500	Citigroup, Inc.	10/17/12		(1,288)
USD	119,010	AUD	117,000	UBS AG	10/17/12		(1,396)
USD	2,596,553	CAD	2,637,000	UBS AG	10/17/12		(76,153)
USD	145,793	GBP	93,000	Deutsche Bank AG	10/17/12		(1,855)
USD	3,797,156	GBP	2,446,000	UBS AG	10/17/12		(86,155)
USD	92,521	GBP	59,000	UBS AG	10/17/12		(1,149)
USD	86,393	GBP	55,000	UBS AG	10/17/12		(926)
EUR	50,000	USD	61,834	Citigroup, Inc.	10/22/12		1,088
EUR	181,000	USD	221,660	UBS AG	10/22/12		6,120
EUR	699,000	USD	867,358	UBS AG	10/22/12		12,297
USD	18,786,611	EUR	15,323,500	Citigroup, Inc.	10/22/12		(497,226)
USD	222,494	EUR	181,000	Citigroup, Inc.	10/22/12		(5,285)
USD	385,156	EUR	310,000	Citigroup, Inc.	10/22/12		(4,963)
USD	126,569	EUR	102,000	Royal Bank of Scotland Group Plc	10/22/12		(1,792)
USD	512,701	EUR	415,000	UBS AG	10/22/12		(9,556)
USD	260,389	EUR	211,000	UBS AG	10/22/12		(5,144)
USD	224,679	EUR	182,000	UBS AG	10/22/12		(4,358)
USD	126,612	EUR	103,000	UBS AG	10/22/12		(3,009)
Total						\$	(673,998)

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

Credit default swaps on single-name issues - buy protection outstanding as of August 31, 2012 were as follows:

Issuer	Pay Fixed Rate	Counter party	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 95	\$ (7,042)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(6,570)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 155	(11,042)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 85	(4,339)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 80	(4,585)
Republic of Hungary	1.00%	Deutsche Bank AG	12/20/15	\$ 280	5,093
Israel (State of)	1.00%	Deutsche Bank AG	3/20/17	\$ 210	(4,707)
Israel Government Bond	1.00%	Deutsche Bank AG	3/20/17	\$ 625	(14,401)
Total					\$ (47,593)

Credit default swaps on single-name issues sold protection outstanding as of August 31, 2012 were as follows:

Issuer	Receive Fixed Rate	Counter party	Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Unrealized Appreciation (Depreciation)
Air Lease Corp.	5.00%	Goldman Sachs Group, Inc.	2/14/13	NR	\$ 500	\$ 8,290
CIT Group, Inc.	5.00%	Deutsche Bank AG	9/20/15	BB-	\$ 3,100	403,195
ARAMARK Corp.	5.00%	Goldman Sachs Group, Inc.	3/20/16	B	\$ 500	41,882
ARAMARK Corp.	5.00%	Goldman Sachs Group, Inc.	6/20/16	B	\$ 300	25,338
ARAMARK Corp.	5.00%	Goldman Sachs Group, Inc.	6/20/16	B	\$ 300	27,000
ARAMARK Corp.	5.00%	Credit Suisse Group AG	9/20/16	B	\$ 125	14,933
ARAMARK Corp.	5.00%	Goldman Sachs Group, Inc.	9/20/16	B	\$ 350	30,667
ARAMARK Corp.	5.00%	Goldman Sachs Group, Inc.	9/20/16	B	\$ 125	14,522
ARAMARK Corp.	5.00%	Deutsche Bank AG	3/20/17	B	\$ 185	12,212
Crown Castle International Corp.	7.25%	Deutsche Bank AG	3/20/17	B	\$ 430	6,129
Ford Motor Co.	5.00%	Deutsche Bank AG	3/20/17	BB+	\$ 1,300	57,262
Hertz Corp.	5.00%	Citigroup, Inc.	6/20/17	B	\$ 165	(5,451)
Goodyear Tire & Rubber Co.	5.00%	Deutsche Bank AG	6/20/17	B+	\$ 290	13,513
Goodyear Tire & Rubber Co.	5.00%	Goldman Sachs Group, Inc.	6/20/17	B+	\$ 300	10,572

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CCO Holdings LLC	8.00%	Deutsche Bank AG	9/20/17	BB	\$ 1,500	122,198
Level 3 Communications, Inc.	5.00%	Goldman Sachs Group, Inc.	6/20/19	B	\$ 900	24,602
Total						\$ 806,864

¹ Using S&P's rating.

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

Credit default swaps on traded indexes buy protection outstanding as of August 31, 2012 were as follows:

Index	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Series 18	5.00%	Credit Suisse Group AG	6/20/17	\$ 1,683	\$ (5,458)

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

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets 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 derivative financial instrument)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

See Notes to Consolidated Financial Statements.

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

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks	\$ 16,544,041	\$ 668,526	\$ 3,853,853	\$ 21,066,420
Corporate Bonds		269,237,177	4,093,826	273,331,003
Floating Rate Loan Interests		42,446,578	7,571,123	50,017,701
Other Interests	88		33	121
Preferred Securities	2,200,416	5,022,063		7,222,479
Total	\$ 18,744,545	\$ 317,374,344	\$ 15,518,835	\$ 351,637,724

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Credit contracts		\$ 277,596	\$ 539,812	\$ 817,408
Foreign currency exchange contracts		26,257		26,257
Liabilities:				
Credit contracts		(63,595)		(63,595)
Equity contracts	\$ (522,208)			(522,208)
Foreign currency exchange contracts		(700,255)		(700,255)
Total	\$ (522,208)	\$ (459,997)	\$ 539,812	\$ (442,393)

¹ Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options. Swaps, financial futures contracts and foreign exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value. Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 1,506,487			\$ 1,506,487
Cash pledged as collateral for financial futures contracts	432,000			432,000
Foreign currency at value	260,020			260,020
Liabilities:				
Cash received as collateral for swaps		\$ (600,000)		(600,000)
Loan payable		(98,000,000)		(98,000,000)
Total	\$ 2,198,507	\$ (98,600,000)		\$ (96,401,493)

As of February 29, 2012, the Fund used observable inputs in determining the value of certain equity securities. During the year, the Fund began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$6,894,626 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

The following table summarizes the valuation techniques used and unobservable inputs developed by the BlackRock Global Valuation Methodologies Committee (Global Valuation Committee) to determine the fair value of certain of the Fund's Level 3 investments as of August 31, 2012:

				Range of Unobservable	Weighted Average of Unobservable
	Value	Valuation Techniques	Unobservable Inputs ¹	Inputs	Inputs ²
Assets:					
Common Stocks	\$ 3,853,848	Market Comparable Companies	EBITDA Multiple	5.9x	5.9x
			Forward EBITDA Multiple	4.6x	4.6x
		Cost	N/A ³		
Corporate Bonds	3,847,720	Market Comparable Companies	Yield	7.00% 9.67%	8.76%
			EBITDA Multiple	6.0x	6.0x
		Cost	N/A ³		
Floating Rate Loan Interests	3,134,643	Market Comparable Companies	Illiquidity Discount	50%	50%
			Yield	9.65%	9.65%
		Cost	N/A ³		
Total⁴	\$ 10,836,211				

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

Unobservable Input	Impact to	
	Value if Input Increases	Value if Input Decreases
EBITDA Multiple	Increase	Decrease
Forward EBITDA Multiple	Increase	Decrease
Illiquidity Discount	Decrease	Increase
Yield	Decrease	Increase

² Unobservable inputs are weighted based on the fair value of the investments included in the range.

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

⁴ Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Total
Assets:					
Opening balance, as of February 29, 2012	\$ 4,138,509	\$ 4,181,040	\$ 5,454,878	\$ 34	\$ 13,774,461
Transfers into Level 3 ⁵			2,003,700		2,003,700
Transfers out of Level 3 ⁶	(35,343)		(201,394)		(236,737)
Accrued discounts/premiums		1,564	62,000		63,564
Net realized gain (loss)	(1,186,175)		(328,514)		(1,514,689)
Net change in unrealized appreciation/depreciation ⁷	790,896	(53,051)	290,432	(1)	1,028,276
Purchases	145,977	53,465	1,615,477		1,814,919
Sales	(11)	(89,192)	(1,325,456)		(1,414,659)
Closing Balance, as of August 31, 2012	\$ 3,853,853	\$ 4,093,826	\$ 7,571,123	\$ 33	\$ 15,518,835

⁵ As of February 29, 2012, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$2,003,700 transferred from Level 2 to Level 3 in the disclosure hierarchy.

⁶ As of February 29, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$236,737 transferred from Level 3 to Level 2 in the disclosure hierarchy.

⁷ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(440,350).

See Notes to Consolidated Financial Statements.

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

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

	Credit Contracts
Assets/Liabilities:	
Opening balance, as of February 29, 2012	\$ 216,962
Transfers into Level 3 ¹	
Transfers out of Level 3 ¹	
Accrued discounts/premiums	
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation ²	322,850
Purchases	
Issuances ³	
Sales	
Settlements ⁴	
Closing Balance, as of August 31, 2012	\$ 539,812

¹ Transfers into and transfers out of Level 3 represent the beginning of the reporting period value.

² Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held as of August 31, 2012 was \$322,850.

³ Issuances represent upfront cash received on certain derivative financial instruments.

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

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Schedule of Investments**

August 31, 2012 (Unaudited)

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

Common Stocks	Shares	Value
Auto Components 2.0%		
Dana Holding Corp.	36,200	\$ 494,492
Delphi Automotive Plc (a)	171,704	5,200,902
		5,695,394
Biotechnology 0.0%		
Ironwood Pharmaceuticals, Inc. (a)	7,130	89,339
Capital Markets 0.4%		
American Capital Ltd. (a)	53,273	585,470
E*Trade Financial Corp. (a)	74,600	639,322
		1,224,792
Chemicals 0.2%		
ADA-ES, Inc. (a)	1,820	42,679
CF Industries Holdings, Inc.	1,000	207,010
Huntsman Corp.	14,000	201,320
		451,009
Commercial Banks 0.2%		
CIT Group, Inc. (a)	17,270	652,115
Communications Equipment 0.3%		
Loral Space & Communications Ltd.	12,778	938,161
Diversified Financial Services 0.5%		
Kcad Holdings I Ltd.	220,203,372	1,460,169
Diversified Telecommunication Services 0.2%		
Level 3 Communications, Inc. (a)	22,280	480,134
Electrical Equipment 0.0%		
Medis Technologies Ltd.	70,784	212
Energy Equipment & Services 0.9%		
Laricina Energy Ltd. (a)	35,294	1,521,679
Osum Oil Sands Corp. (a)	82,000	1,039,817
		2,561,496
Hotels, Restaurants & Leisure 0.0%		
Travelport Worldwide Ltd.	76,940	10,002
Media 2.2%		
Belo Corp., Class A	23,782	173,609
Charter Communications, Inc. (a)	70,305	5,469,729
Clear Channel Outdoor Holdings, Inc., Class A (a)	9,964	52,311
Cumulus Media, Inc., Class A (a)	93,867	260,011
DISH Network Corp., Class A	5,900	188,741
		6,144,401
Metals & Mining 0.1%		
African Minerals Ltd. (a)	47,050	188,299
Oil, Gas & Consumable Fuels 0.1%		
African Petroleum Corp. Ltd. (a)	196,300	251,481
Paper & Forest Products 0.3%		
Ainsworth Lumber Co. Ltd. (a)(b)	140,415	307,681
Ainsworth Lumber Co. Ltd. (a)	122,117	267,586
Western Forest Products, Inc. (a)	158,023	171,529
Western Forest Products, Inc. (a)(b)	45,762	49,673
		796,469
Semiconductors & Semiconductor Equipment 0.3%		
NXP Semiconductors NV (a)	5,400	125,928

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Spanion, Inc., Class A (a)	64,237	734,229
SunPower Corp.	271	1,214
		861,371
Software 0.2%		
Bankruptcy Management Solutions, Inc. (a)	501	5
HMH Holdings/EduMedia	20,718	507,588
		507,593
Total Common Stocks 7.9%		22,312,437
	Par	
	(000)	Value
Corporate Bonds		
Aerospace & Defense 0.7%		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 230	\$ 246,100
7.13%, 3/15/21	330	357,225
Kratos Defense & Security Solutions, Inc.,		
10.00%, 6/01/17	846	900,990
Meccanica Holdings USA, Inc.,		
6.25%, 7/15/19 (b)	435	393,608
		1,897,923
Air Freight & Logistics 0.4%		
National Air Cargo Group, Inc.:		
Series 1 12.38%, 9/02/15	596	606,832
Series 2 12.38%, 8/16/15	603	613,879
		1,220,711
Airlines 1.5%		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	1,087	1,152,151
Continental Airlines, Inc.:		
Series 1997-4, Class B 6.90%, 7/02/18 (c)	278	277,703
Series 2010-1, Class B 6.00%, 7/12/20	444	447,265
Delta Air Lines, Inc.:		
Series 2002-1, Class G-1 6.72%, 7/02/24	611	662,744
Delta Air Lines, Inc.:		
Series 2009-1-B 9.75%, 6/17/18	192	207,396
Series 2010-1, Class B 6.38%, 7/02/17	500	500,000
US Airways Pass Through Trust:		
Series 2011-1, Class C 10.88%, 10/22/14	679	695,867
Series 2012-1, Class C 9.13%, 10/01/15	450	459,000
		4,402,126
Auto Components 2.1%		
Dana Holding Corp., 6.75%, 2/15/21	450	484,875
Delphi Corp., 6.13%, 5/15/21	170	187,000
Icahn Enterprises LP:		
4.00%, 8/15/13 (b)(d)(e)	255	255,000
8.00%, 1/15/18	3,035	3,232,275
IDQ Holdings, Inc., 11.50%, 4/01/17 (b)	380	397,575
International Automotive Components Group SL,		
9.13%, 6/01/18 (b)	40	38,350
Jaguar Land Rover Plc, 8.25%, 3/15/20	GBP 482	807,254
Titan International, Inc., 7.88%, 10/01/17	USD 465	487,088
		5,889,417
Beverages 0.2%		
Crown European Holdings SA:		
7.13%, 8/15/18 (b)	EUR 251	347,279
7.13%, 8/15/18	188	260,113
		607,392
Biotechnology 0.0%		
QHP Royalty Sub LLC, 10.25%, 3/15/15 (b)	USD 54	53,876
Building Products 0.8%		
Building Materials Corp. of America (b):		

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7.00%, 2/15/20	530	573,725
6.75%, 5/01/21	790	863,075
Momentive Performance Materials, Inc., 11.50%, 12/01/16	375	228,750
USG Corp., 9.75%, 1/15/18	610	654,225
		2,319,775

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Capital Markets 0.8%		
E*Trade Financial Corp.:		
12.50%, 11/30/17 (f)	USD 1,070	\$ 1,221,138
2.25%, 8/31/19 (b)(e)(g)	244	208,620
Series A 2.25%, 8/31/19 (g)	7	5,985
KKR Group Finance Co. LLC, 6.38%, 9/29/20 (b)	650	735,768
		2,171,511
Chemicals 4.1%		
Basell Finance Co. BV, 8.10%, 3/15/27 (b)	420	560,700
Celanese US Holdings LLC, 5.88%, 6/15/21	1,785	1,972,425
Chemtura Corp., 7.88%, 9/01/18	310	334,025
Hexion US Finance Corp.:		
6.63%, 4/15/20	245	247,450
9.00%, 11/15/20	310	265,050
Huntsman International LLC, 8.63%, 3/15/21	170	194,650
INEOS Finance Plc (b):		
8.38%, 2/15/19	890	936,725
7.50%, 5/01/20	440	448,800
INEOS Group Holdings Plc, 8.50%, 2/15/16 (b)	145	136,663
Kinove German Bondco GmbH, 10.00%, 6/15/18	EUR 342	468,883
Kraton Polymers LLC, 6.75%, 3/01/19	USD 125	128,125
LyondellBasell Industries NV, 5.75%, 4/15/24	2,820	3,193,650
Nexeo Solutions LLC, 8.38%, 3/01/18	185	180,838
PolyOne Corp., 7.38%, 9/15/20	215	234,887
TPC Group LLC, 8.25%, 10/01/17	335	367,662
Tronox Finance LLC, 6.38%, 8/15/20 (b)	1,900	1,919,000
		11,589,533
Commercial Banks 0.9%		
CIT Group, Inc.:		
7.00%, 5/02/16 (b)	378	378,713
5.25%, 3/15/18	550	573,375
5.50%, 2/15/19 (b)	530	552,525
5.00%, 8/15/22	580	584,394
6.00%, 4/01/36	550	498,206
		2,587,213
Commercial Services & Supplies 2.0%		
ARAMARK Corp., 8.50%, 2/01/15	360	369,004
ARAMARK Holdings Corp., 8.63%, 5/01/16 (b)(f)	440	450,454
Aviation Capital Group Corp., 6.75%, 4/06/21 (b)	540	554,445
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)	108	113,788
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b)	25	25,250
Casella Waste Systems, Inc., 7.75%, 2/15/19	470	465,300
Clean Harbors, Inc., 5.25%, 8/01/20 (b)	528	541,860
Covanta Holding Corp., 6.38%, 10/01/22	635	694,291
EC Finance Plc, 9.75%, 8/01/17	EUR 352	458,795
Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (b)	USD 222	234,765
Mobile Mini, Inc., 7.88%, 12/01/20	365	391,463
RSC Equipment Rental, Inc., 8.25%, 2/01/21	875	958,125
Verisure Holding AB: 8.75%, 9/01/18	EUR 184	231,435

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8.75%, 12/01/18		100	111,315
West Corp., 8.63%, 10/01/18	USD	135	137,025
			5,737,315
Communications Equipment 1.8%			
Avaya, Inc., 9.75%, 11/01/15		780	676,650
Frontier Communications Corp., 6.25%, 1/15/13		900	915,750
Hughes Satellite Systems Corp., 6.50%, 6/15/19		410	439,212
Zayo Group LLC/Zayo Capital, Inc.:			
8.13%, 1/01/20		1,550	1,646,875
10.13%, 7/01/20		1,270	1,362,075
			5,040,562
		Par	Value
		(000)	
Corporate Bonds			
Computers & Peripherals 0.1%			
SanDisk Corp., 1.50%, 8/15/17 (e)	USD	220	\$ 243,650
Construction & Engineering 0.2%			
Boart Longyear Management Property Ltd.,			
7.00%, 4/01/21 (b)		200	207,500
H&E Equipment Services, Inc., 7.00%, 9/01/22 (b)		330	342,375
URS Corp., 5.00%, 4/01/22 (b)		75	76,049
			625,924
Construction Materials 1.4%			
HD Supply, Inc. (b):			
8.13%, 4/15/19		1,545	1,676,325
11.00%, 4/15/20		1,475	1,622,500
Xefin Lux SCA:			
8.00%, 6/01/18 (b)	EUR	254	311,494
8.00%, 6/01/18		200	245,271
			3,855,590