

BLACKROCK SENIOR HIGH INCOME FUND, INC.
Form N-CSRS
November 05, 2009

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

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES**

Investment Company Act file number 811-07456

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Senior High Income Fund, Inc., 40 East 52nd Street, New York, NY 10022.

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

Date of fiscal year end: 02/28/2010

Date of reporting period: 08/31/2009

Item 1 – Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Semi-Annual Report

AUGUST 31, 2009 | (UNAUDITED)

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

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

BlackRock Senior High Income Fund, Inc. (ARK)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past 12 months reveal two distinct economic and market backdrops – one of extreme investor pessimism and decided weakness, and another of increased optimism amid growing signs of recovery. The start of the period was characterized by the former. September through December 2008 saw the surge of the economic storm that sparked the worst recession in decades. The months featured, among others, the infamous collapse of Lehman Brothers, uniformly poor economic data and plummeting investor confidence that resulted in massive government intervention (on a global scale) in the financial system and the economy. The tide turned dramatically in March 2009, however, on the back of new US government initiatives, as well as better-than-expected economic data and upside surprises in corporate earnings.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March before embarking on a rally that resulted in strong year-to-date returns for all major indexes. June saw a brief correction, though it appeared to be induced more by profit-taking and portfolio rebalancing than by a change in the economic outlook. The experience in international markets was similar to that in the United States. Notably, emerging markets staged a strong comeback in 2009 as these areas of the globe have generally seen a stronger acceleration in economic activity.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, but more recently, ongoing concerns about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields higher. At the same time, relatively attractive yields and distressed valuations among non-Treasury assets, coupled with a more favorable macro environment, drew in sidelined investors and triggered a sharp recovery in these sectors. This was particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. The municipal bond market enjoyed strong returns in 2009 as well, buoyed by a combination of attractive valuations, robust retail investor demand and a slowdown in forced selling. Moreover, the Build America Bond program has alleviated supply pressures, creating a more favorable technical environment. In particular, August marked the municipal market's best monthly performance in more than 20 years, as the asset class has regained year-to-date all that was lost during 2008.

Overall, results for the major benchmark indexes were mixed. Higher-risk assets (i.e., equities and high yield bonds) and Treasuries reflected a bifurcated market, while less-risky fixed income investments posted stable, modest returns.

| Total Returns as of August 31, 2009 | 6-month | 12-month |
|--|---------|----------|
| US equities (S&P 500 Index) | 40.52% | (18.25)% |
| Small cap US equities (Russell 2000 Index) | 48.25 | (21.29) |
| International equities (MSCI Europe, Australasia, Far East Index) | 53.47 | (14.95) |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*) | (1.61) | 6.77 |
| Taxable fixed income (Barclays Capital US Aggregate Bond Index) | 5.95 | 7.94 |
| Tax-exempt fixed income (Barclays Capital Municipal Bond Index) | 5.61 | 5.67 |
| High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 36.31 | 7.00 |

* Formerly a Merrill Lynch Index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. We invite you to visit www.blackrock.com/funds for our most current views on the economy and financial markets. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Announcement to Shareholders

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays Board of Directors had accepted BlackRock's offer to acquire Barclays Global Investors (BGI). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of August 31, 2009

BlackRock Corporate High Yield Fund, Inc.

Investment Objective

BlackRock Corporate High Yield Fund, Inc. (COY) (the Fund) seeks to provide shareholders with current income with a secondary objective of providing shareholders with capital appreciation. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of fixed-income securities that are rated below investment grade by the established rating services (Ba or lower by Moody's Investors Service, Inc. (Moody's)) or BB or lower by Standard & Poor's Corporation (S&P's)) or are unrated securities of comparable quality.

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

Performance

For the six months ended August 31, 2009, the Fund returned 66.35% based on market price and 49.85% based on net asset value (NAV). For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 50.49% on a market price basis and 40.06% on a NAV basis. During the period, the Fund moved from a discount to a premium to NAV, which accounts for the difference between performance based on price and performance based on NAV. The period featured the largest six-month rise in high yield market history, providing a good environment for bottom-up security selection, with no emphasis on any one sector. We gradually decreased cash and increased the Fund's risk as market conditions dictated. Overall, there was a wide dispersion of returns among the Fund's Lipper competitors, as many funds did well while others struggled with credit issues or retained too defensive a strategy. Security selection was the primary contributor to performance during the period. The Fund maintains a 16% position in floating rate loan interests, which detracted as these securities underperformed high yield corporate bonds. During the period, the Fund moved from a larger cash balance to a balance of less than 3%, which has benefited performance in the rising market.

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

Fund Information

| | |
|---|---------------|
| Symbol on New York Stock Exchange (NYSE) | COY |
| Initial Offering Date | June 25, 1993 |
| Yield on Closing Market Price as of August 31, 2009 (\$6.06) ¹ | 12.08% |
| Current Monthly Distribution per Share ² | \$0.061 |
| Current Annualized Distribution per Share ² | \$0.732 |
| Leverage as of August 31, 2009 ³ | 16% |

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

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

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³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

| | 8/31/09 | 2/28/09 | Change | High | Low |
|-----------------|---------|---------|--------|--------|--------|
| Market Price | \$6.06 | \$3.91 | 54.99% | \$6.28 | \$3.20 |
| Net Asset Value | \$5.85 | \$4.19 | 39.62% | \$5.87 | \$3.97 |

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

| | 8/31/09 | 2/28/09 |
|---------------------------------------|---------|---------|
| Corporate Bonds | 82% | 82% |
| Floating Rate Loan Interests | 16 | 16 |
| Common Stocks | 2 | 1 |
| Non-Agency Mortgage-Backed Securities | | 1 |

Credit Quality Allocations⁴

| | 8/31/09 | 2/28/09 |
|-----------|---------|---------|
| BBB/Baa | 5% | 4% |
| BB/BB | 31 | 31 |
| B/B | 37 | 47 |
| CCC/Caa | 21 | 12 |
| CC/Ca | 2 | 1 |
| D | 1 | |
| Not Rated | 3 | 5 |

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

Fund Summary as of August 31, 2009

BlackRock Corporate High Yield Fund III, Inc.

Investment Objective

BlackRock Corporate High Yield Fund III, Inc. (CYE) (the Fund) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or are unrated securities of comparable quality.

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

Performance

For the six months ended August 31, 2009, the Fund returned 68.87% based on market price and 52.83% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 50.49% on a market price basis and 40.06% on a NAV basis. 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 period featured the largest six-month rise in high yield market history, providing a good environment for bottom-up security selection, with no emphasis on any one sector. We gradually decreased cash and increased the Fund's risk as market conditions have dictated. Overall, there was a wide dispersion of returns among the Fund's Lipper competitors, as many funds did well while others struggled with credit issues or retained too defensive a strategy. Security selection was the primary contributor to performance during the period. The Fund maintains a 16% position in floating rate loan interests, which detracted as these securities underperformed high yield corporate bonds. During the period, the Fund moved from a larger cash balance to a balance of less than 1%, which has benefited performance in the rising market.

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Fund Information

| | |
|---|------------------|
| Symbol on NYSE | CYE |
| Initial Offering Date | January 30, 1998 |
| Yield on Closing Market Price as of August 31, 2009 (\$5.62) ¹ | 11.74% |
| Current Monthly Distribution per Share ² | \$0.055 |
| Current Annualized Distribution per Share ² | \$0.660 |
| Leverage as of August 31, 2009 ³ | 18% |

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 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 borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

| | 8/31/09 | 2/28/09 | Change | High | Low |
|-----------------|---------|---------|--------|--------|--------|
| Market Price | \$5.62 | \$3.57 | 57.42% | \$5.82 | \$3.05 |
| Net Asset Value | \$5.77 | \$4.05 | 42.47% | \$5.78 | \$3.83 |

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

| | 8/31/09 | 2/28/09 |
|---------------------------------------|---------|---------|
| Corporate Bonds | 81% | 82% |
| Floating Rate Loan Interests | 16 | 16 |
| Non-Agency Mortgage-Backed Securities | | 1 |
| Common Stocks | 3 | 1 |

Credit Quality Allocations⁴

| | 8/31/09 | 2/28/09 |
|-----------|---------|---------|
| AAA/Aaa | | 1% |
| BBB/Baa | 4% | 5 |
| BB/Ba | 31 | 30 |
| B/B | 35 | 46 |
| CCC/Caa | 22 | 14 |
| CC/Ca | 3 | 1 |
| D | 1 | |
| Not Rated | 4 | 3 |

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

Fund Summary as of August 31, 2009

BlackRock Debt Strategies Fund, Inc.**Investment Objective**

BlackRock Debt Strategies Fund, Inc. (DSU) (the Fund) seeks to provide current income by investing primarily in a diversified portfolio of US companies' debt instruments, including corporate loans, that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or unrated debt instruments of comparable quality.

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

Performance

For the six months ended August 31, 2009, the Fund returned 74.49% based on market price and 51.87% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 50.49% on a market price basis and 40.06% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a discount to a premium to NAV, which accounts for the difference between performance based on price and performance based on NAV. The Fund benefited from a slight bias to lower-quality credits, which outperformed higher-quality credits during the six months. Unlike its Lipper peers, the Fund invests in floating rate loan interests as well as high yield bonds. Loans underperformed bonds for the period; consequently, the Fund's 41% average allocation to loans detracted from relative performance. The Fund also maintained a relatively low level of leverage (less than 15%), which detracted in the strong market environment. During the period, the Fund moved from a larger cash balance to a balance of less than 1%, which has benefited performance in the rising market.

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Fund Information

| | |
|---|----------------|
| Symbol on NYSE | DSU |
| Initial Offering Date | March 27, 1998 |
| Yield on Closing Market Price as of August 31, 2009 (\$3.35) ¹ | 12.72% |
| Current Monthly Distribution per Share ² | \$0.0355 |
| Current Annualized Distribution per Share ² | \$0.4260 |
| Leverage as of August 31, 2009 ³ | 12% |

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 A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.031. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

| | 8/31/09 | 2/28/09 | Change | High | Low |
|-----------------|---------|---------|--------|--------|--------|
| Market Price | \$3.35 | \$2.07 | 61.84% | \$3.58 | \$1.63 |
| Net Asset Value | \$3.31 | \$2.35 | 40.85% | \$3.31 | \$2.21 |

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

| | 8/31/09 | 2/28/09 |
|---------------------------------------|---------|---------|
| Corporate Bonds | 55% | 53% |
| Floating Rate Loan Interests | 41 | 43 |
| Common Stocks | 4 | 3 |
| Non-Agency Mortgage-Backed Securities | | 1 |

Credit Quality Allocations⁴

| | 8/31/09 | 2/28/09 |
|-----------|---------|---------|
| BBB/Baa | 1% | 9% |
| BB/Ba | 26 | |
| B/B | 38 | 59 |
| CCC/Caa | 16 | 21 |
| CC/Ca | 4 | 4 |
| C/C | 2 | |
| D | 2 | 1 |
| Not Rated | 11 | 6 |

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

Fund Summary as of August 31, 2009

BlackRock Floating Rate Income Strategies Fund II, Inc.

Investment Objective

BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB) (the Fund) seeks a 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.

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

Performance

For the six months ended August 31, 2009, the Fund returned 46.51% based on market price and 42.76% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 54.27% on a market price basis and 37.19% on a NAV basis. 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 Fund benefited from a slight bias to lower-quality credits, which outperformed higher-quality in 2009, and a 27% allocation to high yield corporate bonds, which outperformed floating rate loan interests. The Fund's relatively low level of leverage (around 16%) detracted in the strong market environment. During the period, the Fund moved from a larger cash balance to a balance of less than 2%, which has benefited performance in the rising market.

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Fund Information

| | |
|--|---------------|
| Symbol on NYSE | FRB |
| Initial Offering Date | July 30, 2004 |
| Yield on Closing Market Price as of August 31, 2009 (\$11.45) ¹ | 9.78% |
| Current Monthly Distribution per Share ² | \$0.09335 |
| Current Annualized Distribution per Share ² | \$1.12020 |
| Leverage as of August 31, 2009 ³ | 16% |

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

² A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.081. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

| | 8/31/09 | 2/28/09 | Change | High | Low |
|-----------------|----------|---------|--------|----------|---------|
| Market Price | \$ 11.45 | \$ 8.28 | 38.29% | \$ 11.66 | \$ 7.16 |
| Net Asset Value | \$ 12.02 | \$ 8.92 | 34.75% | \$ 12.02 | \$ 8.58 |

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

| | 8/31/09 | 2/28/09 |
|---------------------------------------|---------|---------|
| Floating Rate Loan Interests | 73% | 71% |
| Corporate Bonds | 27 | 28 |
| Non-Agency Mortgage-Backed Securities | | 1 |

Credit Quality Allocations⁴

| | 8/31/09 | 2/28/09 |
|-----------|---------|---------|
| BBB/Baa | 7% | 15% |
| BB/Ba | 42 | 8 |
| B/B | 36 | 57 |
| CCC/Caa | 9 | 15 |
| CC/Ca | 1 | 2 |
| D | 1 | 1 |
| Not Rated | 4 | 2 |

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

Fund Summary as of August 31, 2009

BlackRock Senior High Income Fund, Inc.

Investment Objective

BlackRock Senior High Income Fund, Inc. (ARK) (the Fund) seeks to provide shareholders with as high a level of current income as is consistent with its investment policies and prudent investment management 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.

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

Performance

For the six months ended August 31, 2009, the Fund returned 51.37% based on market price and 43.72% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 50.49% on a market price basis and 40.06% on a NAV basis. 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 Fund benefited from a slight bias to lower-quality credits, which outperformed higher-quality credits. Unlike its Lipper peers, the Fund invests in floating rate loan interests as well as high yield corporate bonds. Loans underperformed bonds for the period; consequently, the Fund's 40% average allocation to floating rate loan interests detracted from relative performance. The Fund also maintained a relatively low level of leverage (less than 15%), which detracted in the strong market environment. During the period, the Fund moved from a larger cash balance to a balance of less than 1%, which has benefited performance in the rising market.

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Fund Information

| | |
|---|----------------|
| Symbol on NYSE | ARK |
| Initial Offering Date | April 30, 1993 |
| Yield on Closing Market Price as of August 31, 2009 (\$3.18) ¹ | 9.43% |
| Current Monthly Distribution per Common Share ² | \$0.025 |
| Current Annualized Distribution per Common Share ² | \$0.300 |
| Leverage as of August 31, 2009 ³ | 8% |

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 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 borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 9.

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

| | 8/31/09 | 2/28/09 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$ 3.18 | \$ 2.21 | 43.89% | \$ 3.35 | \$ 1.78 |
| Net Asset Value | \$ 3.47 | \$ 2.54 | 36.61% | \$ 3.47 | \$ 2.41 |

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

| | 8/31/09 | 2/28/09 |
|---|---------|---------|
| Corporate Bonds | 55% | 55% |
| Floating Rate Loan Interests | 43 | 44 |
| Common Stock | 2 | |
| Non-U.S. Government Agency Mortgage-Backed Securities | | 1 |

Credit Quality Allocations⁴

| | 8/31/09 | 2/28/09 |
|-----------|---------|---------|
| BBB/Baa | 5% | 2% |
| BB/Ba | 27 | 22 |
| B/B | 40 | 59 |
| CCC/Caa | 19 | 8 |
| CC/Ca | 1 | 3 |
| D | 3 | 1 |
| Not Rated | 5 | 5 |

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

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

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

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

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

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

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

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

Under the Investment Company Act of 1940, the Funds are permitted to borrow through a credit facility and the issuance of short-term debt securities up to 33 $\frac{1}{3}$ % of their total managed assets. As of August 31, 2009, the Funds had outstanding leverage from credit facility borrowings as a percentage of total managed assets as follows:

| | Percent of Leverage |
|-----|------------------------|
| COY | 16% |
| CYE | 18% |

| | |
|-----|-----|
| DSU | 12% |
| FRB | 16% |
| ARK | 8% |

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including swap agreements, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction and illiquidity of the derivative instrument. A Fund's ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that they might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments August 31, 2009 (Unaudited)

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

| Common Stocks | Shares | Value |
|---|---------|--------------|
| Building Products 0.7% | | |
| Masonite Worldwide Holdings (a) | 35,518 | \$ 1,436,703 |
| Capital Markets 0.4% | | |
| E*Trade Financial Corp. (a) | 479,000 | 843,040 |
| Chemicals 0.0% | | |
| Wellman Holdings, Inc. (a) | 1,425 | 356 |
| Communications Equipment 0.8% | | |
| Loral Space & Communications Ltd. (a) | 77,483 | 1,599,249 |
| Containers & Packaging 0.0% | | |
| Smurfit Kappa Plc (a) | 3,634 | 28,637 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 67,974 | 19,373 |
| SunPower Corp. Class B (a) | 352 | 7,529 |
| | | 26,902 |
| Paper & Forest Products 0.1% | | |
| Ainsworth Lumber Co. Ltd. (a) | 37,144 | 53,608 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 41,686 | 59,972 |
| Western Forest Products, Inc. (a)(b) | 41,528 | 9,863 |
| Western Forest Products, Inc. (a) | 147,968 | 35,142 |
| | | 158,585 |
| Total Common Stocks 2.0% | | 4,093,472 |

| Corporate Bonds | | Par (000) | |
|--|-----|--------------|-----------|
| Airlines 1.6% | | | |
| American Airlines Pass Through Trust Series 2001-02, 7.86%, 4/01/13 | USD | 390 | 372,450 |
| Continental Airlines, Inc.: | | | |
| Series 1997-4-B, 6.90%, 7/02/18 | | 674 | 525,389 |
| Series 2001-1-C, 7.03%, 12/15/12 | | 281 | 221,711 |
| Series 2003-RJ, 7.88%, 1/02/20 | | 587 | 384,428 |
| United Air Lines, Inc., 12.75%, 7/15/12 | | 1,750 | 1,680,000 |

3,183,978

| | | |
|--|-------|-----------|
| Auto Components 1.4% | | |
| Allison Transmission, Inc., 11.00%, 11/01/15 (b) | 670 | 603,000 |
| The Goodyear Tire & Rubber Co.: | | |
| 7.86%, 8/15/11 | 1,355 | 1,348,225 |
| 8.63%, 12/01/11 | 712 | 719,120 |
| Lear Corp., 8.75%, 12/01/16 (a)(c) | 405 | 218,700 |
| | | <hr/> |
| | | 2,889,045 |

| | | |
|---------------------------------|-----|---------|
| Automobiles 0.4% | | |
| Ford Capital BV, 9.50%, 6/01/10 | 710 | 702,900 |

| | | |
|---|-----|---------|
| Building Products 0.2% | | |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | 580 | 484,300 |

| | | |
|---|-------|-----------|
| Capital Markets 0.5% | | |
| E*Trade Financial Corp. (b): | | |
| 12.50%, 11/30/17 (d) | 71 | 71,887 |
| 3.43%, 8/31/19 (e)(f) | 226 | 386,178 |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 (a)(c) | 1,004 | 421,680 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(d) | 418 | 100,337 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(d) | 287 | 74,609 |
| | | <hr/> |
| | | 1,054,691 |

| Corporate Bonds | | Par (000) | | Value |
|---|-----|--------------|----|-----------|
| Chemicals 1.9% | | | | |
| American Pacific Corp., 9.00%, 2/01/15 | USD | 800 | \$ | 722,000 |
| Innophos, Inc., 8.88%, 8/15/14 | | 740 | | 717,800 |
| MacDermid, Inc., 9.50%, 4/15/17 (b) | | 1,180 | | 991,200 |
| Olin Corp., 8.88%, 8/15/19 | | 275 | | 277,750 |
| Terra Capital, Inc., Series B, 7.00%, 2/01/17 | | 205 | | 193,213 |
| Wellman Holdings, Inc. (e): | | | | |
| Second Lien Subordinate Note, 10.00%, 1/29/19 (b) | | 790 | | 790,000 |
| Third Lien Subordinate Note, 5.00%, 1/29/19 | | 246 | | 123,250 |
| | | | | <hr/> |
| | | | | 3,815,213 |

| | | | | |
|--|-----|-------|--|-----------|
| Commercial Services & Supplies 4.0% | | | | |
| Altegrity, Inc., 10.50%, 11/01/15 (b) | | 700 | | 579,250 |
| ISS Financing, 11.00%, 6/15/14 | EUR | 206 | | 381,515 |
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b) | USD | 555 | | 579,975 |
| Scientific Games International, Inc., 9.25%, 6/15/19 (b) | | 785 | | 804,625 |
| Waste Services, Inc., 9.50%, 4/15/14 | | 2,800 | | 2,772,000 |
| West Corp.: | | | | |
| 9.50%, 10/15/14 | | 700 | | 645,750 |
| 11.00%, 10/15/16 | | 2,570 | | 2,370,825 |
| | | | | <hr/> |
| | | | | 8,133,940 |

| | | | | |
|--|--|-------|--|-----------|
| Construction & Engineering 0.7% | | | | |
| Dycom Industries, Inc., 8.13%, 10/15/15 | | 1,650 | | 1,435,500 |

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Construction Materials 1.3%

| | | |
|--|-------|-----------|
| Nortek, Inc., 10.00%, 12/01/13 | 2,020 | 1,878,600 |
| Texas Industries, Inc., 7.25%, 7/15/13 | 720 | 673,200 |
| | | 2,551,800 |

Consumer Finance 0.2%

| | | |
|----------------------------|-----|---------|
| Ford Motor Credit Co. LLC: | | |
| 3.26%, 1/13/12 (g) | 195 | 162,338 |
| 7.80%, 6/01/12 | 200 | 185,009 |
| 8.00%, 12/15/16 | 170 | 148,944 |
| | | 496,291 |

Containers & Packaging 4.1%

| | | |
|---|-----------|-----------|
| Berry Plastics Holding Corp., 4.50%, 9/15/14 (g) | 1,655 | 1,191,600 |
| Crown European Holdings SA, 6.25%, 9/01/11 | EUR 73 | 104,653 |
| Graphic Packaging International, Inc.: | | |
| 8.50%, 8/15/11 | USD 512 | 510,720 |
| 9.50%, 8/15/13 | 60 | 60,150 |
| 9.50%, 6/15/17 (b) | 1,075 | 1,101,875 |
| Impress Holdings BV, 3.63%, 9/15/13 (b)(g) | 390 | 356,363 |
| Owens Brockway Glass Container, Inc.: | | |
| 8.25%, 5/15/13 | 925 | 934,250 |
| 6.75%, 12/01/14 | EUR 152 | 211,371 |
| Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b) | USD 1,255 | 401,600 |
| Pregis Corp., 12.38%, 10/15/13 | 1,130 | 1,017,000 |
| Rock-Tenn Co., 8.20%, 8/15/11 | 1,875 | 1,931,250 |
| Solo Cup Co., 10.50%, 11/01/13 (b) | 450 | 472,500 |
| | | 8,293,332 |

Diversified Consumer Services 1.3%

| | | |
|--|-------|-----------|
| Service Corp., International, 7.00%, 6/15/17 | 2,800 | 2,618,000 |
|--|-------|-----------|

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|--|-----|--------------|------------|
| Diversified Financial Services 7.5% | | | |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16 | USD | 490 | \$ 512,050 |
| Bank of America Corp., 5.65%, 5/01/18 | | 700 | 676,860 |
| CIT Group, Inc., 5.00%, 2/01/15 | | 1,005 | 565,570 |
| FCE Bank Plc: | | | |
| 7.875%, 2/15/11 | GBP | 1,150 | 1,750,452 |
| 7.125%, 1/16/12 | EUR | 2,850 | 3,697,637 |
| 7.125%, 1/15/13 | | 550 | 689,924 |
| Series JD, 2.12%, 9/30/09 (g) | | 250 | 355,266 |
| GMAC LLC (b): | | | |
| 7.25%, 3/02/11 | USD | 1,148 | 1,077,685 |
| 6.88%, 9/15/11 | | 500 | 461,250 |
| 6.88%, 8/28/12 | | 740 | 643,800 |
| 2.56%, 12/01/14 (g) | | 841 | 647,570 |
| 6.75%, 12/01/14 | | 1,690 | 1,385,800 |
| 8.00%, 11/01/31 | | 1,980 | 1,529,550 |
| Leucadia National Corp., 8.13%, 9/15/15 | | 1,250 | 1,225,000 |
| | | | 15,218,414 |
| Diversified Telecommunication Services 5.2% | | | |
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12 | | 1,000 | 860,000 |
| Cincinnati Bell, Inc., 7.25%, 7/15/13 | | 435 | 421,950 |
| Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b) | | 1,340 | 1,360,100 |
| Qwest Communications International, Inc.: | | | |
| 7.50%, 2/15/14 | | 1,890 | 1,823,850 |
| 3.50%, 11/15/25 (e) | | 620 | 613,800 |
| Series B, 7.50%, 2/15/14 | | 1,645 | 1,587,425 |
| Qwest Corp.: | | | |
| 3.88%, 6/15/13 (g) | | 1,350 | 1,248,750 |
| 7.63%, 6/15/15 | | 500 | 496,250 |
| 8.38%, 5/01/16 (b) | | 400 | 404,000 |
| Windstream Corp., 8.13%, 8/01/13 | | 1,780 | 1,780,000 |
| | | | 10,596,125 |
| Electric Utilities 1.1% | | | |
| NSG Holdings LLC, 7.75%, 12/15/25 (b) | | 965 | 805,775 |
| Tenaska Alabama Partners LP, 7.00%, 6/30/21 (b) | | 1,730 | 1,502,580 |
| | | | 2,308,355 |
| Electrical Equipment 0.0% | | | |
| UCAR Finance, Inc., 10.25%, 2/15/12 | | 49 | 47,591 |
| Electronic Equipment, Instruments & Components 0.3% | | | |

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| | | |
|-------------------------------------|-----|---------|
| Jabil Circuit, Inc., 7.75%, 7/15/16 | 280 | 275,450 |
| Sanmina-SCI Corp., 8.13%, 3/01/16 | 270 | 232,875 |
| | | 508,325 |

Energy Equipment & Services 0.7%

| | | |
|---|-----|-----------|
| Compagnie Générale de Géophysique-Veritas: | | |
| 7.50%, 5/15/15 | 195 | 185,250 |
| 7.75%, 5/15/17 | 300 | 283,500 |
| North American Energy Partners, Inc., 8.75%, 12/01/11 | 355 | 326,600 |
| Transocean, Inc., Series A, 1.63%, 12/15/37 (e) | 730 | 709,925 |
| | | 1,505,275 |

Food & Staples Retailing 0.5%

| | | |
|---|-----|-----------|
| AmeriQual Group LLC, 9.50%, 4/01/12 (b) | 750 | 487,500 |
| Duane Reade, Inc., 11.75%, 8/01/15 (b) | 160 | 161,600 |
| Rite Aid Corp., 9.75%, 6/12/16 (b) | 390 | 412,425 |
| | | 1,061,525 |

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Food Products 0.5% | | |
| Smithfield Foods, Inc., 10.00%, 7/15/14 (b) | USD 760 | \$ 775,200 |
| Tyson Foods, Inc., 10.50%, 3/01/14 | 270 | 301,050 |
| | | 1,076,250 |

Health Care Equipment & Supplies 2.4%

| | | |
|---|-------|-----------|
| Catalent Pharma Solutions, Inc., 9.50%, 4/15/15 (d) | 900 | 742,500 |
| DJO Finance LLC, 10.88%, 11/15/14 | 2,675 | 2,568,000 |
| Hologic, Inc., 2.00%, 12/15/37 (e)(i) | 1,860 | 1,501,950 |
| | | 4,812,450 |

Health Care Providers & Services 1.2%

| | | |
|---|-------|-----------|
| Community Health Systems, Inc., Series WI, 8.88%, 7/15/15 | 190 | 190,712 |
| Tenet Healthcare Corp. (b): | | |
| 9.00%, 5/01/15 | 1,502 | 1,539,550 |
| 10.00%, 5/01/18 | 622 | 670,205 |
| | | 2,400,467 |

Hotels, Restaurants & Leisure 4.6%

| | | |
|---|-------|-----------|
| American Real Estate Partners LP, 7.13%, 2/15/13 | 2,815 | 2,674,250 |
| Gaylord Entertainment Co., 8.00%, 11/15/13 | 595 | 542,938 |
| Greektown Holdings, LLC, 10.75%, 12/01/13 (a)(b)(c) | 522 | 112,230 |
| Harrah's Operating Co., Inc., 10.00%, 12/15/18 (b) | 881 | 616,700 |
| Inn of the Mountain Gods Resort & Casino, 12.00%, 11/15/10 (a)(c) | 1,425 | 627,000 |
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(c) | 1,175 | 517,000 |
| MGM Mirage, 11.13%, 11/15/17 (b) | 780 | 844,350 |
| Penn National Gaming, Inc., 6.88%, 12/01/11 | 1,875 | 1,875,000 |
| San Pasqual Casino, 8.00%, 9/15/13 (b) | 925 | 874,125 |
| Scientific Games Corp., 0.75%, 12/01/24 (e)(i) | 270 | 264,263 |

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| | | |
|---|-----|---------|
| Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b) | 45 | 31,950 |
| Travelport LLC: | | |
| 4.99%, 9/01/14 (g) | 145 | 105,125 |
| 9.88%, 9/01/14 | 190 | 161,025 |
| Tropicana Entertainment LLC Series WI, 9.63%, 12/15/14 (a)(c) | 315 | 197 |
| Virgin River Casino Corp., 9.00%, 1/15/12 (a)(c) | 805 | 82,513 |

9,328,666

Household Durables 2.0%

| | | |
|--|-------|---------|
| American Greetings Corp., 7.38%, 6/01/16 | 975 | 833,625 |
| Beazer Homes USA, Inc.: | | |
| 8.38%, 4/15/12 | 855 | 645,525 |
| 8.13%, 6/15/16 | 120 | 74,400 |
| 4.63%, 6/15/24 (e) | 120 | 99,000 |
| Jarden Corp., 8.00%, 5/01/16 | 240 | 246,000 |
| KB Home: | | |
| 6.38%, 8/15/11 | 29 | 28,710 |
| 9.10%, 9/15/17 | 320 | 326,400 |
| Meritage Homes Corp., 6.25%, 3/15/15 | 250 | 215,000 |
| Standard Pacific Corp.: | | |
| 6.25%, 4/01/14 | 700 | 549,500 |
| 7.00%, 8/15/15 | 1,075 | 843,875 |
| Toll Brothers Finance Corp., 8.91%, 10/15/17 | 219 | 243,825 |

4,105,860

IT Services 1.8%

| | | |
|---|-------|-----------|
| Alliance Data Systems Corp., 1.75%, 8/01/13 (e) | 1,340 | 1,192,600 |
| First Data Corp.: | | |
| 9.88%, 9/24/15 | 160 | 136,800 |
| 11.25%, 3/31/16 (b) | 2,320 | 1,774,800 |
| SunGard Data Systems, Inc., 10.63%, 5/15/15 (b) | 530 | 547,225 |

3,651,425

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|---|-----|--------------|--------------|
| Independent Power Producers & Energy Traders 3.6% | | | |
| The AES Corp., 8.75%, 5/15/13 (b) | USD | 994 | \$ 1,008,910 |
| AES Eastern Energy LP Series 99-B, 9.67%, 1/02/29 | | 575 | 494,500 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b) | | 915 | 910,425 |
| Energy Future Holdings Corp., 11.25%, 11/01/17 (d) | | 3,498 | 2,002,248 |
| NRG Energy, Inc.: | | | |
| 7.25%, 2/01/14 | | 1,525 | 1,483,063 |
| 7.38%, 2/01/16 | | 930 | 889,313 |
| Texas Competitive Electric Holdings Co. LLC, 10.50%, 11/01/16 (d) | | 951 | 527,507 |
| | | | 7,315,966 |
| Industrial Conglomerates 1.7% | | | |
| Sequa Corp. (b): | | | |
| 11.75%, 12/01/15 | | 2,380 | 1,499,400 |
| 13.50%, 12/01/15 (d) | | 3,636 | 1,899,829 |
| | | | 3,399,229 |
| Insurance 1.0% | | | |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b) | | 1,600 | 1,460,000 |
| USI Holdings Corp., 4.32%, 11/15/14 (b)(g) | | 630 | 486,675 |
| | | | 1,946,675 |
| Leisure Equipment & Products 0.6% | | | |
| Brunswick Corp., 11.25%, 11/01/16 (b) | | 1,070 | 1,120,825 |
| Life Sciences Tools & Services 0.1% | | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 (b) | | 200 | 204,000 |
| Machinery 0.8% | | | |
| AGY Holding Corp., 11.00%, 11/15/14 | | 1,200 | 948,000 |
| Accuride Corp., 8.50%, 2/01/15 (a)(c) | | 515 | 103,000 |
| CPM Holdings, Inc., 10.63%, 9/01/14 (b) | | 100 | 101,000 |
| RBS Global, Inc.: | | | |
| 9.50%, 8/01/14 (b) | | 205 | 188,600 |
| 8.88%, 9/01/16 | | 420 | 337,050 |
| | | | 1,677,650 |
| Marine 0.6% | | | |
| Horizon Lines, Inc., 4.25%, 8/15/12 (e) | | 1,090 | 792,975 |
| Navios Maritime Holdings, Inc., 9.50%, 12/15/14 | | 442 | 386,750 |

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1,179,725

Media 10.1%

| | | |
|---|-------|-----------|
| Affinion Group, Inc.: | | |
| 10.13%, 10/15/13 | 1,255 | 1,247,156 |
| 10.13%, 10/15/13 (b) | 355 | 352,781 |
| CCO Holdings LLC, 8.75%, 11/15/13 | 515 | 520,150 |
| CMP Susquehanna Corp., 4.75%, 5/15/14 (b) | 150 | 3,000 |
| CSC Holdings, Inc.: | | |
| 8.50%, 4/15/14 (b) | 370 | 375,550 |
| Series B, 7.63%, 4/01/11 | 325 | 329,062 |
| Cablevision Systems Corp., Series B, 8.00%, 4/15/12 | 965 | 986,712 |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(d) | 1,970 | 1,915,825 |
| Charter Communications Holdings II, LLC, 10.25%, 9/15/10 (a)(c) | 685 | 761,206 |
| Charter Communications Operating, LLC (a)(b)(c): | | |
| 8.00%, 4/30/12 | 500 | 503,750 |
| 8.38%, 4/30/14 | 660 | 668,250 |
| EchoStar DBS Corp., 7.00%, 10/01/13 | 90 | 88,200 |
| Harland Clarke Holdings Corp.: | | |
| 6.00%, 5/15/15 (g) | 330 | 235,950 |
| 9.50%, 5/15/15 (b) | 390 | 331,500 |
| Intelsat Corp., 9.25%, 6/15/16 | 2,040 | 2,065,500 |
| Intelsat Subsidiary Holding Co. Ltd., 8.88%, 1/15/15 (b) | 250 | 250,625 |

| Corporate Bonds | | Par (000) | | Value |
|--|-----|--------------|----|------------|
| Media (concluded) | | | | |
| Liberty Media Corp., 3.13%, 3/30/23 (e) | USD | 1,023 | \$ | 982,080 |
| Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17 | | 673 | | 255,740 |
| Network Communications, Inc., 10.75%, 12/01/13 | | 20 | | 4,050 |
| Nielsen Finance LLC.: | | | | |
| 11.63%, 2/01/14 | | 70 | | 69,475 |
| 10.00%, 8/01/14 | | 1,740 | | 1,644,300 |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(c)(e) | | 812 | | 324,708 |
| Rainbow National Services LLC, 10.38%, 9/01/14 (b) | | 1,496 | | 1,563,320 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (b) | | 3,895 | | 3,544,450 |
| UPC Holdings BV, 9.88%, 4/15/18 (b) | | 500 | | 505,625 |
| Virgin Media, Inc., 6.50%, 11/15/16 (b)(e) | | 1,125 | | 1,019,531 |
| | | | | 20,548,496 |

Metals & Mining 5.1%

| | | |
|--|-------|-----------|
| Aleris International, Inc. (a)(c): | | |
| 9.00%, 12/15/14 | 950 | 2,375 |
| 10.00%, 12/15/16 | 800 | 2,000 |
| Anglo American Capital Plc, 9.38%, 4/08/19 (b) | 345 | 403,650 |
| Drummond Co., Inc., 7.38%, 2/15/16 (b) | 215 | 189,200 |
| FMG Finance Property Ltd. (b): | | |
| 10.00%, 9/01/13 | 500 | 527,500 |
| 10.63%, 9/01/16 | 1,210 | 1,300,750 |
| Foundation PA Coal Co., 7.25%, 8/01/14 | 1,850 | 1,803,750 |
| Freeport-McMoRan Copper & Gold, Inc., 8.38%, 4/01/17 | 960 | 1,000,800 |
| Novelis, Inc.: | | |
| 7.25%, 2/15/15 | 1,875 | 1,518,750 |
| 11.50%, 2/15/15 (b) | 405 | 391,838 |
| Ryerson, Inc.: | | |
| 7.86%, 11/01/14 (g) | 380 | 323,000 |
| 12.00%, 11/01/15 | 245 | 225,400 |

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| | | |
|---|-------|------------|
| Steel Dynamics, Inc., 7.38%, 11/01/12 | 440 | 432,300 |
| Teck Resources Ltd.: | | |
| 10.25%, 5/15/16 | 285 | 314,925 |
| 10.75%, 5/15/19 | 1,095 | 1,246,931 |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b) | 600 | 564,000 |
| | | 10,247,169 |

Multiline Retail 0.5%

| | | |
|--|-----|---------|
| Dollar General Corp.: | | |
| 10.63%, 7/15/15 | 265 | 294,150 |
| 11.88%, 7/15/17 (d) | 185 | 207,662 |
| Macy's Retail Holdings, Inc., 5.88%, 1/15/13 | 455 | 429,026 |
| | | 930,838 |

Oil, Gas & Consumable Fuels 9.0%

| | | |
|---|-------|-----------|
| Arch Coal, Inc., 8.75%, 8/01/16 (b) | 290 | 290,000 |
| Atlas Energy Operating Co. LLC, 12.13%, 8/01/17 | 450 | 474,750 |
| Atlas Energy Resources LLC, 10.75%, 2/01/18 (b) | 1,000 | 1,010,000 |
| Berry Petroleum Co., 8.25%, 11/01/16 | 470 | 418,300 |
| Bill Barrett Corp., 9.88%, 7/15/16 | 225 | 234,000 |
| Chesapeake Energy Corp.: | | |
| 9.50%, 2/15/15 | 500 | 510,000 |
| 7.25%, 12/15/18 | 990 | 905,850 |
| 2.25%, 12/15/38 (e) | 775 | 520,219 |
| Connacher Oil and Gas Ltd. (b): | | |
| 11.75%, 7/15/14 | 165 | 167,475 |
| 10.25%, 12/15/15 | 1,075 | 757,875 |
| Corral Finans AB, 2.01%, 4/15/10 (b)(d) | 1,630 | 1,185,624 |
| EXCO Resources, Inc., 7.25%, 1/15/11 | 2,435 | 2,386,300 |
| Encore Acquisition Co., 6.25%, 4/15/14 | 1,850 | 1,646,500 |
| Forest Oil Corp., 7.25%, 6/15/19 | 2,260 | 2,124,400 |
| Massey Energy Co., 3.25%, 8/01/15 (e) | 1,210 | 904,475 |
| OPTI Canada, Inc., 8.25%, 12/15/14 | 1,450 | 942,500 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | | Value |
|---|-----|--------------|----|------------|
| Oil, Gas & Consumable Fuels (concluded) | | | | |
| PetroHawk Energy Corp.: | | | | |
| 10.50%, 8/01/14 (b) | USD | 530 | \$ | 567,100 |
| 7.88%, 6/01/15 | | 450 | | 436,500 |
| Range Resources Corp., 8.00%, 5/15/19 | | 400 | | 408,000 |
| Sabine Pass LNG LP, 7.50%, 11/30/16 | | 350 | | 283,500 |
| SandRidge Energy, Inc.: | | | | |
| 8.63%, 4/01/15 (d) | | 120 | | 112,800 |
| 9.88%, 5/15/16 (b) | | 500 | | 500,000 |
| 8.00%, 6/01/18 (b) | | 935 | | 846,175 |
| Teekay Shipping Corp., 8.88%, 7/15/11 | | 640 | | 636,800 |
| | | | | 18,269,143 |
| Paper & Forest Products 2.9% | | | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d) | | 320 | | 127,039 |
| Clearwater Paper Corp., 10.63%, 6/15/16 (b) | | 370 | | 396,362 |
| Georgia-Pacific Corp., 8.13%, 5/15/11 | | 145 | | 148,988 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | | 1,525 | | 1,540,250 |
| International Paper Co., 9.38%, 5/15/19 | | 490 | | 550,616 |
| NewPage Corp., 10.00%, 5/01/12 | | 2,440 | | 1,323,700 |
| Norske Skog Canada Ltd. Series D, 8.63%, 6/15/11 | | 825 | | 482,625 |
| Verso Paper Holdings LLC: | | | | |
| 11.50%, 7/01/14 (b) | | 320 | | 313,600 |
| Series B, 4.23%, 8/01/14 (g) | | 260 | | 145,600 |
| Series B, 9.13%, 8/01/14 | | 1,425 | | 929,813 |
| | | | | 5,958,593 |
| Pharmaceuticals 0.9% | | | | |
| Angiotech Pharmaceuticals, Inc., 4.11%, 12/01/13 (g) | | 1,440 | | 1,209,600 |
| Elan Finance Plc, 8.88%, 12/01/13 | | 90 | | 86,850 |
| Valeant Pharmaceuticals International, 8.38%, 6/15/16 (b) | | 515 | | 522,725 |
| | | | | 1,819,175 |
| Real Estate Investment Trusts (REITs) 0.8% | | | | |
| FelCor Lodging LP, 8.50%, 6/01/11 | | 245 | | 229,687 |
| HCP, Inc., 5.65%, 12/15/13 | | 420 | | 404,645 |
| iStar Financial, Inc.: | | | | |
| 5.65%, 9/15/11 | | 1,500 | | 855,000 |
| Series B, 5.13%, 4/01/11 | | 220 | | 118,800 |
| | | | | 1,608,132 |
| Real Estate Management & Development 1.3% | | | | |
| Forest City Enterprises, Inc., 7.63%, 6/01/15 | | 2,525 | | 1,584,438 |
| Realogy Corp.: | | | | |

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| | | |
|-----------------|-------|-----------|
| 10.50%, 4/15/14 | 520 | 309,400 |
| 12.38%, 4/15/15 | 1,935 | 783,675 |
| | | 2,677,513 |

Semiconductors & Semiconductor Equipment 0.5%

| | | |
|--|-------|-----------|
| Spansion, Inc., 3.79%, 6/01/13 (a)(b)(c) | 1,135 | 1,007,313 |
|--|-------|-----------|

Software 0.0%

| | | |
|--|-----|-------|
| BMS Holdings, Inc., 8.35%, 2/15/12 (b)(d)(g) | 407 | 6,532 |
|--|-----|-------|

Specialty Retail 2.9%

| | | |
|---|-------|-----------|
| Asbury Automotive Group, Inc., 7.63%, 3/15/17 | 330 | 270,600 |
| General Nutrition Centers, Inc.: | | |
| 6.40%, 3/15/14 (g) | 1,640 | 1,443,200 |
| 10.75%, 3/15/15 | 1,200 | 1,134,000 |
| Group 1 Automotive, Inc., 2.25%, 6/15/36 (h) | 985 | 698,119 |
| Limited Brands, Inc., 8.50%, 6/15/19 (b) | 745 | 754,708 |
| Michaels Stores, Inc., 11.38%, 11/01/16 | 690 | 593,400 |
| United Auto Group, Inc., 7.75%, 12/15/16 | 1,030 | 906,400 |
| | | 5,800,427 |

| Corporate Bonds | | Par (000) | | Value |
|--|-----|--------------|----|-----------|
| Textiles, Apparel & Luxury Goods 1.1% | | | | |
| Levi Strauss & Co., 8.63%, 4/01/13 | EUR | 850 | \$ | 1,163,732 |
| Quiksilver, Inc., 6.88%, 4/15/15 | USD | 1,600 | | 1,016,000 |
| | | | | 2,179,732 |

Wireless Telecommunication Services 5.8%

| | | | | |
|--|--|-------|--|------------|
| Cricket Communications, Inc.: | | | | |
| 9.38%, 11/01/14 | | 2,405 | | 2,266,712 |
| 10.00%, 7/15/15 | | 835 | | 807,862 |
| Crown Castle International Corp., 9.00%, 1/15/15 | | 205 | | 213,200 |
| Digicel Group Ltd. (b): | | | | |
| 8.88%, 1/15/15 | | 1,285 | | 1,146,862 |
| 9.13%, 1/15/15 (d) | | 1,911 | | 1,683,744 |
| FiberTower Corp., 9.00%, 11/15/12 (e) | | 633 | | 327,578 |
| iPCS, Inc., 2.61%, 5/01/13 (g) | | 760 | | 623,200 |
| MetroPCS Wireless, Inc., 9.25%, 11/01/14 | | 2,085 | | 2,045,905 |
| Nextel Communications, Inc.: | | | | |
| Series E, 6.88%, 10/31/13 | | 1,670 | | 1,494,650 |
| Series F, 5.95%, 3/15/14 | | 100 | | 84,000 |
| Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b) | | 265 | | 238,500 |
| Sprint Capital Corp.: | | | | |
| 7.63%, 1/30/11 | | 780 | | 780,975 |
| 6.88%, 11/15/28 | | 170 | | 123,675 |
| | | | | 11,836,863 |

| | | | | |
|------------------------------------|--|--|--|-------------|
| Total Corporate Bonds 94.7% | | | | 192,013,714 |
|------------------------------------|--|--|--|-------------|

Floating Rate Loan Interests**Auto Components 2.2%**

| | | |
|---|-------|-----------|
| Allison Transmission, Inc., Term Loan, 3.03%, 8/07/14 | 1,376 | 1,174,545 |
| Dana Holding Corp., Term Advance, 7.25%, 1/31/15 | 1,872 | 1,433,085 |
| Delphi Corp. (a)(c): | | |
| Initial Tranche Term Loan C, 10.50%, 12/31/09 | 2,855 | 1,570,378 |
| Subsequent Tranche Term Loan C, 10.50%, 12/31/09 | 292 | 160,747 |
| | | 4,338,755 |

Building Products 1.3%

| | | |
|---|-------|-----------|
| CPG International I Inc., Term Loan, 5.27%, 2/28/11 | 2,970 | 2,672,864 |
|---|-------|-----------|

Capital Markets 0.1%

| | | |
|---|-----|---------|
| Marsico Parent Co., LLC, Term Loan, 4.81%, 12/15/14 | 462 | 198,749 |
|---|-----|---------|

Chemicals 1.4%

| | | |
|--|-------|-----------|
| PQ Corp. (fka Niagara Acquisition, Inc.): | | |
| Loan (Second Lien), 6.77%, 7/30/15 | 3,250 | 1,787,500 |
| Term Loan (First Lien), 3.52% 3.75%, 7/31/14 | 743 | 611,944 |
| Solutia Inc., Loan, 7.25%, 2/28/14 | 410 | 406,227 |
| | | 2,805,671 |

Diversified Telecommunication Services 2.4%

| | | | |
|--|-----|-------|-----------|
| Wind Finance SL S.A., Euro Facility (Second Lien), 7.70%, 12/17/14 | EUR | 3,350 | 4,817,000 |
|--|-----|-------|-----------|

Food & Staples Retailing 0.6%

| | | | |
|---|-----|-------|-----------|
| Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15 | USD | 1,200 | 1,242,000 |
|---|-----|-------|-----------|

Health Care Providers & Services 2.0%

| | | |
|---|-------|-----------|
| HCA Inc., Tranche A-1 Term Loan, 2.10%, 11/17/12 | 3,467 | 3,236,443 |
| Rotech Healthcare Inc., Term Loan B, 6.26%, 9/26/11 | 1,681 | 806,730 |
| | | 4,043,173 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Floating Rate Loan Interests | | Par (000) | Value |
|---|-----|--------------|--------------|
| Hotels, Restaurants & Leisure 0.8% | | | |
| Travelport LLC (fka Travelport Inc.), Loan, 7.99%, 3/27/12 | USD | 2,861 | \$ 1,602,147 |
| IT Services 0.0% | | | |
| First Data Corp., Initial Tranche B-1 Term Loan, 3.01% 3.02%, 9/24/14 | | 100 | 83,101 |
| Independent Power Producers & Energy Traders 1.8% | | | |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | | |
| Initial Tranche B-1 Term Loan, 3.78% 3.79%, 10/10/14 | | 207 | 157,595 |
| Initial Tranche B-2 Term Loan, 3.78%, 10/10/14 | | 1,204 | 915,037 |
| Initial Tranche B-3 Term Loan, 3.78%, 10/10/14 | | 3,439 | 2,602,398 |
| | | | 3,675,030 |
| Machinery 1.1% | | | |
| Navistar Financial Corp., Tranche A Term loan, 2.31%, 3/27/10 | | 500 | 485,000 |
| Navistar International Corp.: | | | |
| Revolving Credit-Linked Deposit, 3.36% 3.51%, 1/19/12 | | 505 | 469,650 |
| Term Advance, 3.51%, 1/19/12 | | 1,385 | 1,288,050 |
| | | | 2,242,700 |
| Media 3.3% | | | |
| Affinion Group Holdings, Inc., Loan, 8.27%, 3/01/12 | | 419 | 366,678 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 1,485 | 1,425,600 |
| HMH Publishing Co. Ltd. (fka Education Media): | | | |
| Mezzanine, 17.50%, 11/14/14 | | 6,221 | 933,183 |
| Tranche A Term Loan, 5.26%, 6/12/14 | | 2,414 | 1,867,663 |
| NV Broadcasting, LLC, Second Lien, 8.72%, 11/03/14 (a)(c) | | 1,000 | 10,000 |
| Newsday, LLC, Fixed Rate Term Loan, 9.75%, 8/01/13 | | 750 | 763,125 |
| Virgin Media Investment Holdings Ltd. C Facility, 3.62%, 7/17/13 | GBP | 525 | 752,112 |
| World Color Press Inc., and World Color (USA) Corp. (fka Quebecor World Inc.), Advance, 9.00%, 6/30/12 | USD | 500 | 496,250 |
| | | | 6,614,611 |
| Multiline Retail 0.1% | | | |
| The Neiman Marcus Group Inc., Term Loan, 2.28% 2.63%, 4/06/13 | | 120 | 98,786 |
| Oil, Gas & Consumable Fuels 0.7% | | | |
| Turbo Beta Ltd. Dollar Facility, 2.50% 12.00%, 3/15/18 | | 2,147 | 1,503,089 |
| Paper & Forest Products 0.3% | | | |
| NewPage Corp., Term Loan, 4.06%, 12/22/14 | | 487 | 451,459 |

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| | | |
|---|-------|---------|
| Verso Paper Finance Holdings LLC, Loan, 6.73% 7.48%%, 2/01/13 | 1,159 | 231,896 |
| | | 683,355 |

Real Estate Management & Development 0.2%

| | | |
|--------------------------------------|-----|---------|
| Realty Corp.: | | |
| Initial Term B Loan, 3.28%, 10/10/13 | 377 | 287,415 |
| Synthetic LC, 0.11%, 10/10/13 | 119 | 90,763 |
| | | 378,178 |

| Floating Rate Loan Interests | Par (000) | Value |
|---|--------------|------------|
| Specialty Retail 0.1% | | |
| Claire's Stores Term Loan B, 5.27%, 5/29/14 | USD 265 | \$ 172,629 |
| Total Floating Rate Loan Interests 18.4% | | 37,171,838 |

| Other Interests (i) | Beneficial Interest (000) | |
|-----------------------------------|---------------------------------|-------|
| Media 0.1% | | |
| Adelphia Escrow | 700 | 70 |
| Adelphia Recovery Trust | 878 | 3,512 |
| Total Other Interests 0.0% | | 3,582 |

| Preferred Stocks | Shares | |
|--|--------|--------|
| Capital Markets 0.0% | | |
| Marsico Parent Superholdco, LLC, 16.75% (b) | 67 | 17,085 |
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp., 0% (a)(b)(g) | 34,982 | |
| Total Preferred Stocks 0.0% | | 17,085 |

Warrants (j)

| | | |
|--|--------|--|
| Health Care Providers & Services 0.0% | | |
| HealthSouth Corp. (expires 1/16/14) | 29,930 | |

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| | | |
|--|------------------|----------------|
| Media 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b) | 39,975 | |
| Oil, Gas & Consumable Fuels 0.0% | | |
| Turbo Cayman Ltd. (No Expiration) | 1 | |
| Total Warrants 0.0% | | |
| Total Long-Term Investments | | |
| (Cost \$271,263,265) 115.1% | | 233,299,691 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempCash 0.26% (k)(l) | 2,032,607 | 2,032,607 |
| Total Short-Term Securities | | |
| (Cost \$2,032,607) 1.0% | | 2,032,607 |
| Options Purchased | | |
| | Contracts | |
| Over-the-Counter Call Options | | |
| Marsico Parent Superholdco LLC, expiring December 2009 at USD 942.86, Broker Goldman Sachs & Co. | 17 | 17,000 |
| Total Options Purchased | | |
| (Cost \$16,622) 0.0% | | 17,000 |
| Total Investments | | |
| (Cost \$273,312,494*) 116.1% | | 235,349,298 |
| Liabilities in Excess of Other Assets (16.1)% | | (32,699,558) |
| Net Assets 100.0% | | \$ 202,649,740 |

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2009, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$ 274,419,893 |
| Gross unrealized appreciation | \$ 8,030,039 |
| Gross unrealized depreciation | (47,100,634) |
| Net unrealized depreciation | \$ (39,070,595) |

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

| Affiliate | Net Activity | Income |
|---|-----------------|----------|
| BlackRock Liquidity Funds, TempCash | \$ 2,032,607 | \$ 4,915 |
| BlackRock Liquidity Series, LLC Cash Sweep Series | \$ (7,111,263) | \$ 461 |

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

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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 ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report which may combine industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2009 were as follows:

| Currency Purchased | | Currency Sold | | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|-----------|-------------------|-----------------|--|
| USD | 11,026,273 | EUR | 7,899,500 | Citibank NA | 9/16/09 | \$ (298,752) |
| USD | 423,465 | EUR | 300,000 | UBS AG | 9/16/09 | (6,627) |
| USD | 174,975 | CAD | 190,000 | Barclays Bank Plc | 10/28/09 | 1,404 |
| USD | 1,739,108 | GBP | 1,064,000 | Citibank NA | 10/28/09 | 7,110 |
| Total | | | | | | \$ (296,865) |

Credit default swaps on single-name issues buy protection outstanding as of August 31, 2009 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|------------------------------|----------------|---------------------------------------|----------------|-----------------------|--|
| iStar Financial Inc. | 5.00% | Morgan Stanley Capital Services, Inc. | September 2011 | USD 1,500 | \$ 273,762 |
| Black & Decker Corp. | 2.93% | Goldman Sachs Bank USA | March 2014 | USD 600 | (35,219) |
| Louisiana Pacific Corp. | 5.00% | JPMorgan Chase Bank NA | March 2014 | USD 500 | (95,335) |
| Macy's Retail Holdings Corp. | 8.05% | Goldman Sachs Bank USA | March 2014 | USD 600 | (112,690) |
| Masco Corp. | 5.85% | Goldman Sachs Bank USA | March 2014 | USD 750 | (99,209) |
| Mohawk Industries Inc. | 4.70% | Goldman Sachs Bank USA | March 2014 | USD 750 | (82,112) |
| Tyson Foods Inc. | 4.25% | Goldman Sachs Bank USA | March 2014 | USD 400 | (37,313) |
| Centex Corp. | 1.00% | Deutsche Bank AG | June 2014 | USD 250 | (8,534) |
| First Data Corp. | 5.00% | Credit Suisse International | June 2014 | USD 250 | (21,929) |
| Lennar Corp. | 5.75% | JPMorgan Chase Bank NA | June 2014 | USD 250 | (30,077) |
| Standard Pacific Corp. | 5.00% | JPMorgan Chase Bank NA | June 2014 | USD 475 | (1,740) |
| Brunswick Corp. | 5.00% | Morgan Stanley Capital Services, Inc. | September 2014 | USD 2,750 | 19,040 |
| Centex Corp. | 1.00% | Deutsche Bank AG | September 2014 | USD 175 | (1,401) |
| Limited Brands Inc. | 1.00% | Goldman Sachs Bank USA | September 2014 | USD 50 | 571 |
| Limited Brands Inc. | 1.00% | JPMorgan Chase Bank NA | September 2014 | USD 1,000 | 10,644 |
| Pulte Homes Inc. | 1.00% | JPMorgan Chase Bank NA | September 2014 | USD 350 | 5,558 |
| Standard Pacific Corp. | 5.00% | Credit Suisse International | September 2014 | USD 530 | 21,112 |
| Meritage Homes, Inc. | 5.00% | Credit Suisse International | June 2015 | USD 530 | (10,201) |
| K. Hovnanian Enterprise Inc. | 5.00% | JPMorgan Chase Bank NA | June 2016 | USD 620 | 87,927 |
| Total | | | | | \$ (117,146) |

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund, Inc. (COY)

Credit default swaps on single-name issues sold protection outstanding as of August 31, 2009 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration | Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|-----------------------|--------------------|-----------------------------|----------------|---------------------|------------------------------------|--|
| Ford Motor Co. | 3.80% | UBS AG | March 2010 | CCC | USD 930 | \$ (29,878) |
| Ford Motor Co. | 5.00% | Goldman Sachs Bank USA | June 2010 | CCC | USD 3,750 | (136,990) |
| Beazer Homes USA Inc. | 5.00% | Credit Suisse International | June 2011 | D | USD 150 | 2,415 |
| Beazer Homes USA Inc. | 5.00% | Credit Suisse International | September 2011 | D | USD 250 | 3,168 |
| Beazer Homes USA Inc. | 5.00% | Goldman Sachs Bank USA | September 2011 | D | USD 200 | (651) |
| Beazer Homes USA Inc. | 5.00% | JPMorgan Chase Bank NA | September 2011 | D | USD 100 | 650 |
| D.R. Horton Inc. | 1.00% | JPMorgan Chase Bank NA | September 2014 | BB | USD 175 | (12) |
| Total | | | | | | \$ (161,298) |

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

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

Currency Abbreviations:

| | |
|-----|-----------------|
| CAD | Canadian Dollar |
| EUR | Euro |
| GBP | British Pound |
| USD | US Dollar |

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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)

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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)

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Investments in Securities | |
|------------------------------|---------------------------|--------------------|
| | Assets | |
| Level 1 | | |
| Long-Term Investments: | | |
| Common Stocks | \$ | 4,004,507 |
| Short-Term Securities | | 2,032,607 |
| Total Level 1 | | 6,037,114 |
| Level 2 | | |
| Long-Term Investments: | | |
| Common Stocks | | 88,609 |
| Corporate Bonds | | 190,772,757 |
| Floating Rate Loan Interests | | 17,431,025 |
| Preferred Stocks | | 17,085 |
| Total Level 2 | | 208,309,476 |
| Level 3 | | |
| Long-Term Investments: | | |
| Common Stocks | | 356 |
| Corporate Bonds | | 1,240,957 |
| Floating Rate Loan Interests | | 19,740,813 |
| Other Interests | | 3,582 |
| Total Level 3 | | 20,985,708 |
| Total | \$ | 235,332,298 |

| Valuation Inputs | Other Financial Instruments ¹ | |
|------------------|--|-----------------------|
| | Assets | Liabilities |
| Level 1 | | |
| Level 2 | \$ 450,361 | \$ (1,008,670) |
| Level 3 | | |
| Total | \$ 450,361 | \$ (1,008,670) |

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¹ Other financial instruments are swaps, foreign currency exchange contracts and options purchased. Swaps and foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument and options purchased are shown at market value.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

| | Investment in Securities | | | | |
|---|--------------------------|---------------------|---------------------------------------|--------------------|----------------------|
| | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Total |
| Balance as of February 28, 2009 | \$ 356 | \$ 1,404,473 | \$ 14,962,760 | \$ 3,582 | \$ 16,371,171 |
| Accrued discounts/premiums | | | | | |
| Realized gain (loss) | | | (1,216,555) | | (1,216,555) |
| Change in unrealized appreciation (depreciation) ² | | (169,765) | 4,806,263 | | 4,636,498 |
| Net purchases (sales) | | 3,249 | (3,596,611) | | (3,593,362) |
| Net transfer in/out of Level 3 | | 3,000 | 4,784,956 | | 4,787,956 |
| Balance as of August 31, 2009 | \$ 356 | \$ 1,240,957 | \$ 19,740,813 | \$ 3,582 | \$ 20,985,708 |

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

See Notes to Financial Statements.

Schedule of Investments August 31, 2009 (Unaudited)

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

| Common Stocks | Shares | Value |
|---|---------|------------|
| Auto Components 0.5% | | |
| Federal-Mogul Corp. Class A (a) | 76,700 | \$ 964,886 |
| Building Products 0.6% | | |
| Masonite Worldwide Holdings (a) | 34,575 | 1,398,559 |
| Capital Markets 0.4% | | |
| E*Trade Financial Corp. (a) | 506,000 | 890,560 |
| Chemicals 0.0% | | |
| Wellman Holdings, Inc. (a) | 1,522 | 381 |
| Communications Equipment 0.8% | | |
| Loral Space & Communications Ltd. (a) | 82,907 | 1,711,200 |
| Diversified Financial Services 0.6% | | |
| Bank of America Corp. (a) | 70,000 | 1,231,305 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (a) | 70,784 | 20,173 |
| SunPower Corp. Class B (a) | 778 | 16,641 |
| | | 36,814 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Buffets Restaurants Holdings, Inc. (a) | 1,099 | 11 |
| Household Durables 0.2% | | |
| Beazer Homes USA, Inc. (a) | 100,000 | 431,000 |
| Media 0.3% | | |
| Sirius XM Radio, Inc. (a) | 865,000 | 582,578 |
| Paper & Forest Products 0.2% | | |
| Ainsworth Lumber Co. Ltd. | 125,117 | 180,575 |
| Ainsworth Lumber Co. Ltd. (a)(b) | 140,415 | 202,008 |
| Western Forest Products, Inc. (a)(b) | 45,762 | 10,868 |
| Western Forest Products, Inc. (a) | 158,023 | 37,530 |
| | | 430,981 |
| Software 0.1% | | |
| TiVo, Inc. (a) | 31,000 | 304,110 |
| Wireless Telecommunication Services 0.0% | | |
| iPCS, Inc. (a) | 4,621 | 72,966 |

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Total Common Stocks 3.7% 8,055,351

| Corporate Bonds | | Par (000) | |
|---|-----|----------------------|-----------|
| Airlines 1.6% | | | |
| American Airlines Pass Through Trust Series 2001-02, 7.86%, 4/01/13 | USD | 400 | 382,000 |
| Continental Airlines, Inc.: | | | |
| Series 1997-4-B, 6.90%, 7/02/18 (c) | | 698 | 544,847 |
| Series 2001-1-C, 7.03%, 12/15/12 | | 314 | 248,469 |
| Series 2003-RJ, 7.88%, 1/02/20 | | 663 | 434,178 |
| United Air Lines, Inc., 12.75%, 7/15/12 | | 1,850 | 1,776,000 |
| | | | 3,385,494 |

| | | | |
|--|--|-------|-----------|
| Auto Components 1.5% | | | |
| Allison Transmission, Inc., 11.00%, 11/01/15 (b) | | 736 | 662,400 |
| The Goodyear Tire & Rubber Co.: | | | |
| 7.86%, 8/15/11 | | 1,450 | 1,442,750 |
| 8.63%, 12/01/11 | | 652 | 658,520 |
| Lear Corp. (a)(d): | | | |
| 8.50%, 12/01/13 | | 380 | 205,200 |
| 8.75%, 12/01/16 | | 585 | 315,900 |
| | | | 3,284,770 |

| Corporate Bonds | | Par (000) | | Value |
|---|-----|----------------------|----|--------------|
| Automobiles 0.4% | | | | |
| Ford Capital BV, 9.50%, 6/01/10 | USD | 785 | \$ | 777,150 |
| Building Products 0.2% | | | | |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 | | 610 | | 509,350 |
| Capital Markets 0.5% | | | | |
| E*Trade Financial Corp.: | | | | |
| 12.50%, 11/30/17 (e) | | 76 | | 76,820 |
| 12.50%, 11/30/17 (b)(e) | | 2 | | 2,155 |
| 3.38%, 8/31/19 (b)(f)(g) | | 244 | | 416,935 |
| Series A, 3.64%, 8/31/19 (b)(f)(g) | | 7 | | 11,961 |
| Marsico Parent Co., LLC, 10.63%, 1/15/16 (a)(b) | | 1,073 | | 450,660 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(e) | | 447 | | 107,337 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(e) | | 307 | | 79,822 |
| | | | | 1,145,690 |

| | | | |
|--|--|-------|-----------|
| Chemicals 1.9% | | | |
| American Pacific Corp., 9.00%, 2/01/15 | | 880 | 794,200 |
| Innophos, Inc., 8.89%, 8/15/14 | | 825 | 800,250 |
| MacDermid, Inc., 9.50%, 4/15/17 (b) | | 1,260 | 1,058,400 |
| Olin Corp., 8.88%, 8/15/19 | | 295 | 297,950 |

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| | | |
|---|-----|-----------|
| Terra Capital, Inc., Series B, 7.00%, 2/01/17 | 215 | 202,637 |
| Wellman Holdings, Inc. (f): | | |
| Second Lien Subordinate Note, 10.00%, 1/29/19 (b) | 844 | 844,000 |
| Third Lien Subordinate Note, 5.00%, 1/29/19 | 263 | 131,467 |
| | | 4,128,904 |

Commercial Banks 0.1%

| | | |
|-----------------------------|--------|---------|
| Glitnir Banki HF (a)(d): | | |
| 4.15%, 4/20/10 (b) | 211 | 41,673 |
| 4.97%, 1/18/12 (b) | 100 | 19,750 |
| 6.38%, 9/25/12 (b) | 500 | 98,750 |
| Series EMTN, 5.07%, 1/27/10 | EUR 50 | 14,694 |
| Series EMTN, 3.00%, 6/30/10 | 45 | 13,225 |
| Series GMTN, 4.38%, 2/05/10 | 50 | 14,694 |
| | | 202,786 |

Commercial Services & Supplies 4.0%

| | | |
|--|---------|-----------|
| Altegrity, Inc., 10.50%, 11/01/15 (b) | USD 700 | 579,250 |
| ISS Financing, 11.00%, 6/15/14 | EUR 277 | 408,030 |
| RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b) | USD 585 | 611,325 |
| Scientific Games International, Inc., 9.25%, 6/15/19 (b) | 855 | 876,375 |
| Waste Services, Inc., 9.50%, 4/15/14 | 3,000 | 2,970,000 |
| West Corp.: | | |
| 9.50%, 10/15/14 | 750 | 691,875 |
| 11.00%, 10/15/16 | 2,650 | 2,444,625 |
| | | 8,581,480 |

Construction & Engineering 0.7%

| | | |
|---|-------|-----------|
| Dycom Industries, Inc., 8.13%, 10/15/15 | 1,750 | 1,522,500 |
|---|-------|-----------|

Construction Materials 1.3%

| | | |
|--|-------|-----------|
| Nortek, Inc., 10.00%, 12/01/13 | 2,145 | 1,994,850 |
| Texas Industries, Inc., 7.25%, 7/15/13 | 785 | 733,975 |
| | | 2,728,825 |

Consumer Finance 0.2%

| | | |
|----------------------------|-----|---------|
| Ford Motor Credit Co. LLC: | | |
| 3.26%, 1/13/12 (h) | 215 | 178,987 |
| 7.80%, 6/01/12 | 200 | 185,009 |
| 8.00%, 12/15/16 | 180 | 157,706 |
| | | 521,702 |

See Notes to Financial Statements.

Schedule of Investments (continued)

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

| Corporate Bonds | | Par (000) | Value |
|--|-----|--------------|--------------|
| Containers & Packaging 4.1% | | | |
| Berry Plastics Holding Corp., 4.50%, 9/15/14 (h) | USD | 1,765 | \$ 1,270,800 |
| Crown European Holdings SA, 6.25%, 9/01/11 | EUR | 75 | 107,521 |
| Graphic Packaging International, Inc.: | | | |
| 8.50%, 8/15/11 | USD | 540 | 538,650 |
| 9.50%, 8/15/13 | | 65 | 65,163 |
| 9.50%, 6/15/17 (b) | | 1,120 | 1,148,000 |
| Impress Holdings BV, 3.63%, 9/15/13 (b)(h) | | 420 | 383,775 |
| Owens-Brockway Glass Container, Inc.: | | | |
| 8.25%, 5/15/13 | | 1,000 | 1,010,000 |
| 6.75%, 12/01/14 | EUR | 155 | 215,543 |
| Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b) | USD | 1,355 | 433,600 |
| Pregis Corp., 12.38%, 10/15/13 | | 1,200 | 1,080,000 |
| Rock-Tenn Co., 8.20%, 8/15/11 | | 2,000 | 2,060,000 |
| Solo Cup Co., 10.50%, 11/01/13 (b) | | 475 | 498,750 |
| | | | 8,811,802 |
| Diversified Consumer Services 1.3% | | | |
| Service Corp. International, 7.00%, 6/15/17 | | 3,000 | 2,805,000 |
| Diversified Financial Services 7.6% | | | |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16 | | 520 | 543,400 |
| Bank of America Corp., 5.65%, 5/01/18 | | 800 | 773,554 |
| CIT Group, Inc. | | | |
| 0.76%, 3/12/10 | | 135 | 84,375 |
| 5.20%, 11/03/10 | | 200 | 120,290 |
| 4.75%, 12/15/10 | | 185 | 112,032 |
| 5.00%, 2/01/15 | | 1,065 | 599,335 |
| FCE Bank Plc: | | | |
| 7.88%, 2/15/11 | GBP | 700 | 1,065,492 |
| 7.13%, 1/16/12 | EUR | 2,850 | 3,697,637 |
| 7.13%, 1/15/13 | | 1,050 | 1,317,129 |
| Series JD, 2.12%, 9/30/09 (h) | | 270 | 383,688 |
| GMAC LLC (b): | | | |
| 7.25%, 3/02/11 | USD | 1,279 | 1,200,661 |
| 6.88%, 9/15/11 | | 500 | 461,250 |
| 6.88%, 8/28/12 | | 750 | 652,500 |
| 2.56%, 12/01/14 (h) | | 884 | 680,680 |
| 6.75%, 12/01/14 | | 1,810 | 1,484,200 |
| 8.00%, 11/01/31 | | 2,020 | 1,560,450 |
| General Motors Acceptance Corp. of Canada Ltd., 6.00%, 5/25/10 | CAD | 300 | 266,094 |
| Leucadia National Corp., 8.13%, 9/15/15 | USD | 1,325 | 1,298,500 |
| | | | 16,301,267 |
| Diversified Telecommunication Services 5.3% | | | |

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| | | |
|---|-------|------------|
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12 | 1,035 | 890,100 |
| Cincinnati Bell, Inc., 7.25%, 7/15/13 | 470 | 455,900 |
| Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b) | 1,445 | 1,466,675 |
| Qwest Communications International, Inc.: | | |
| 7.50%, 2/15/14 (c) | 2,020 | 1,949,300 |
| 3.50%, 11/15/25 (f) | 640 | 633,600 |
| Series B, 7.50%, 2/15/14 | 1,730 | 1,669,450 |
| Qwest Corp.: | | |
| 3.88%, 6/15/13 (h) | 1,550 | 1,433,750 |
| 7.63%, 6/15/15 | 525 | 521,063 |
| 8.38%, 5/01/16 (b) | 400 | 404,000 |
| Windstream Corp., 8.13%, 8/01/13 | 1,900 | 1,900,000 |
| | | 11,323,838 |

| Corporate Bonds | Par (000) | Value |
|---------------------------------------|--------------|-------|
| Electric Utilities 1.1% | | |
| NSG Holdings LLC, 7.75%, 12/15/25 (b) | | |