

BLACKROCK SENIOR HIGH INCOME FUND, INC.  
Form N-CSR  
May 06, 2011  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-07456

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Senior High Income Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 02/28/2011

Date of reporting period: 02/28/2011

Item 1 – Report to Stockholders

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February 28, 2011

## Annual Report

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

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

BlackRock Senior High Income Fund, Inc. (ARK)

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

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## Dear Shareholder

Over the past 12 months, we have seen a sluggish, stimulus-driven economic recovery at long last gain real traction, accelerate, and transition into a consumption-driven expansion. For the most part, 2010 was plagued with widely fluctuating economic data, but as the year drew to a close, it became clear that cyclical stimulus had beaten out structural problems as economic data releases generally became more positive and financial markets showed signs of continuing improvement. Although the sovereign debt crises and emerging market inflation that troubled the global economy in 2010 remain a challenge, overall investor sentiment considerably improved. Near the end of the period, geopolitical tensions across the Middle East North Africa ( MENA ) region along with rising oil prices introduced new cause for concern about the future of the global economy. As of this writing, economic news remains fairly positive although we face additional uncertainties related to the aftermath of the devastating earthquake in Japan, with particular focus on the damage to nuclear power plants.

In the United States, strength from the corporate sector and increasing consumer spending have been key drivers of economic growth, while the housing and labor markets have been the heaviest burdens. While housing has yet to show any meaningful sign of improvement, labor statistics have delivered a mixed bag month after month, but became increasingly encouraging toward the end of the period when the unemployment rate fell to its lowest level since April 2009.

Global equity markets experienced uneven growth and high volatility over the course of 2010, but ended the year strong. Following a strong start to 2011, stocks lost their momentum on the back of geopolitical events in the MENA region and a sharp rise in oil prices. Overall, equities posted strong returns for the 12-month period. US stocks outpaced most international markets and small cap stocks outperformed large caps as investors moved into higher-risk assets.

Fixed income markets saw yields trend lower over most of 2010, until the fourth quarter brought an abrupt reversal in sentiment and risk tolerance that drove yields sharply upward (pushing bond prices down) through year end. Improving economic data continued to pressure fixed income yields in 2011; however, escalating geopolitical risks have acted as a counterweight, restoring relative stability to yield movements. Nevertheless, the yield curve remained steep and higher-risk sectors outperformed the fixed income market.

The tax-exempt municipal market enjoyed a powerful rally during the period of low interest rates in 2010; however, when the yield trend reversed, the market was dealt an additional blow as it became evident that the Build America Bond program would expire at year end. In addition, negative headlines regarding fiscal challenges faced by state and local governments damaged investor confidence and further heightened volatility in the municipal market. Tax-exempt mutual funds experienced heavy outflows, resulting in wider quality spreads and further downward pressure on municipal bond prices. These headwinds began to abate as the period came to a close and municipals finally posted gains in February, following a five-month run of negative performance.

Cash investments, as represented by the 3-month Treasury bill, returned only a fraction over 0% for the 12-month period as short-term interest rates remained low. Yields on money market securities remain near all-time lows.

| <b>Total returns as of February 28, 2011</b>                           | <b>6-month</b> | <b>12-month</b> |
|--|----------------|-----------------|
| US large cap equities (S&P 500 Index)                                  | 27.73%         | 22.57%          |
| US small cap equities (Russell 2000 Index)                             | 37.55          | 32.60           |
| International equities (MSCI Europe, Australasia, Far East Index)      | 23.77          | 20.00           |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.07           | 0.14            |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)  | (6.04)         | 4.76            |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index)   | (0.83)         | 4.93            |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)     | (3.51)         | 1.72            |

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US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)

10.05

17.34

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

While no one can peer into a crystal ball and eliminate the uncertainties presented by the economic landscape and financial markets, BlackRock can offer investors the next best thing: partnership with the world's largest asset management firm and a unique global perspective that allows us to identify trends early and capitalize on market opportunities. For additional market perspective and investment insight, visit [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine), where you'll find the most recent issue of our award-winning *Shareholder*® magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito  
President, BlackRock Advisors, LLC

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THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 28, 2011

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

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### Investment Objective

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

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

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### Portfolio Management Commentary

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#### How did the Fund perform?

For the 12 months ended February 28, 2011, the Fund returned 11.66% based on market price and 22.11% 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 21.06% based on market price and 21.40% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. The largest contributor to the Fund s performance was individual security selection, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. Within the Fund s small allocation to common stocks, its holdings in Delphi boosted returns. The Fund s limited exposure to high-quality, non-investment grade proved beneficial, as did its large allocation to lower-quality credits later in the period.

During the period, the Fund maintained leverage at an average amount between 18% and 20% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing. The Fund s significant holdings in mid-tier speculative grade names for most of the period detracted modestly as they underperformed their lower-quality counterparts. Also having a negative impact was the Fund s exposure to bank loans; however, the Fund continues to hold a number of loans issued by speculative companies where we believe the loans are the most attractive instrument in the company s capital structure.

#### Describe recent portfolio activity.

Over the period, the Fund shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. The Fund reduced its exposure to the automotive sector and increased exposure to lower-quality credits as well as sectors where companies are positioned to benefit from rising commodity prices.

#### Describe portfolio positioning at period end.

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At period end, the Fund held 85% of its total portfolio in corporate bonds, 7% in floating rate loan interests and 5% in common stocks. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 20% 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.

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


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**Fund Information**


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|   |               |
|---|---------------|
| Symbol on New York Stock Exchange ( NYSE )                                  | COY           |
| Initial Offering Date   | June 25, 1993 |
| Yield on Closing Market Price as of February 28, 2011 (\$7.03) <sup>1</sup> | 8.71%         |
| Current Monthly Distribution per Share <sup>2</sup>                         | \$0.051       |
| Current Annualized Distribution per Share <sup>2</sup>                      | \$0.612       |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 20%           |

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<sup>1</sup> 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.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

|                 | 2/28/11 | 2/28/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 7.03 | \$ 6.88 | 2.18%  | \$ 7.24 | \$ 5.50 |
| Net Asset Value | \$ 7.42 | \$ 6.64 | 11.75% | \$ 7.44 | \$ 6.60 |

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

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**Portfolio Composition**


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|                              | 2/28/11 | 2/28/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 85%     | 82%     |
| Floating Rate Loan Interests | 7       | 13      |
| Common Stocks                | 5       | 3       |
| Other Interests              | 2       | 2       |
| Preferred Stocks             | 1       |         |

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**Credit Quality Allocations<sup>4</sup>**

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|           | 2/28/11 | 2/28/10 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 4       | 3%      |
| BB/Ba     | 31      | 30      |
| B         | 46      | 46      |
| CCC/Caa   | 13      | 12      |
| CC/Ca     |         | 1       |
| D         |         | 1       |
| Not Rated | 5       | 7       |

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

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Fund Summary as of February 28, 2011

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

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### Investment Objective

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

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

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### Portfolio Management Commentary

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#### How did the Fund perform?

For the 12 months ended February 28, 2011, the Fund returned 16.99% based on market price and 23.50% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.06% based on market price and 21.40% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. The largest contributor to the Fund s performance was individual security selection, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. Within the Fund s small allocation to common stocks, its holdings in Delphi boosted returns. The Fund s limited exposure to high-quality, non-investment grade proved beneficial, as did its large allocation to lower-quality credits later in the period.

During the period, the Fund maintained leverage at an average amount between 20% and 22% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing. The Fund s significant holdings in mid-tier speculative grade names for most of the period detracted modestly as they underperformed their lower-quality counterparts. Also having a negative impact was the Fund s exposure to bank loans; however, the Fund continues to hold a number of loans issued by speculative companies where we believe the loans are the most attractive instrument in the company s capital structure.

#### Describe recent portfolio activity.

Over the period, the Fund shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. The Fund reduced its exposure to the automotive sector and increased exposure to lower-quality credits as well as sectors where companies are positioned to benefit from rising commodity prices.

#### Describe portfolio positioning at period end.

At period end, the Fund held 80% of its total portfolio in corporate bonds, 11% in floating rate loan interests and 5% in common stocks. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 24% 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.

**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 February 28, 2011 (\$7.14) <sup>1</sup> | 8.40%            |
| Current Monthly Distribution per Share <sup>2</sup>                         | \$0.05           |
| Current Annualized Distribution per Share <sup>2</sup>                      | \$0.60           |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 24%              |

<sup>1</sup> 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.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

|                 | 2/28/11 | 2/28/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 7.14 | \$ 6.67 | 7.05%  | \$ 7.24 | \$ 5.29 |
| Net Asset Value | \$ 7.56 | \$ 6.69 | 13.00% | \$ 7.58 | \$ 6.66 |

The following unaudited 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**

|                              | 2/28/11 | 2/28/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 80%     | 81%     |
| Floating Rate Loan Interests | 11      | 13      |
| Common Stocks                | 5       | 4       |
| Preferred Stocks             | 2       |         |
| Other Interests              | 2       | 2       |

**Credit Quality Allocations<sup>4</sup>**

|           | 2/28/11 | 2/28/10 |
|-----------|---------|---------|
| BBB/Baa   | 4%      | 3%      |
| BB/Ba     | 31      | 29      |
| B         | 46      | 47      |
| CCC/Caa   | 14      | 12      |
| D         |         | 1       |
| Not Rated | 5       | 8       |

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

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Fund Summary as of February 28, 2011

**BlackRock Debt Strategies Fund, Inc.**

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### Investment Objective

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

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

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### Portfolio Management Commentary

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#### How did the Fund perform?

For the 12 months ended February 28, 2011, the Fund returned 12.90% based on market price and 19.92% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.06% based on market price and 21.40% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. While the Fund's average allocation of 41% to high yield contributed to performance on an absolute basis, its average allocation of 52% to bank loans hurt performance relative to its Lipper category competitors, which invest primarily in high yield bonds. Additionally, the Fund maintained leverage at an average amount between 18% and 23% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing. Lastly, the Fund's underexposure to lower-quality, speculative grade credits detracted modestly from performance as lower quality outperformed during the period.

Contributing positively to performance was security selection within the Fund's high yield allocation, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. The Fund's equity position, although small, boosted returns. In addition, limited exposure to high-quality, non-investment grade proved beneficial.

#### Describe recent portfolio activity.

Over the period, the Fund shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. In particular, the Fund increased its exposure to sectors where companies are positioned to benefit from rising commodity prices. In addition, the Fund increased its leverage during the period.

#### Describe portfolio positioning at period end.

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At period end, the Fund held 43% of its total portfolio in corporate bonds, 53% in floating rate loan interests and 2% in asset-backed securities. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 20% 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 February 28, 2011 (\$4.05) <sup>1</sup> | 8.00%          |
| Current Monthly Distribution per Share <sup>2</sup>                         | \$0.027        |
| Current Annualized Distribution per Share <sup>2</sup>                      | \$0.324        |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 20%            |

<sup>1</sup> 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.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

|                 | 2/28/11 | 2/28/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 4.05 | \$ 3.91 | 3.58%  | \$ 4.42 | \$ 2.95 |
| Net Asset Value | \$ 4.28 | \$ 3.89 | 10.03% | \$ 4.28 | \$ 3.89 |

The following unaudited 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**

|                              | 2/28/11 | 2/28/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 53%     | 47%     |
| Corporate Bonds              | 43      | 49      |
| Asset-Backed Securities      | 2       |         |
| Common Stocks                | 1       | 4       |
| Other Interests              | 1       |         |



**Credit Quality Allocations<sup>4</sup>**

|           | 2/28/11 | 2/28/10 |
|-----------|---------|---------|
| BBB/Baa   | 7%      | 5%      |
| BB/Ba     | 29      | 27      |
| B         | 45      | 44      |
| CCC/Caa   | 11      | 11      |
| D         |         | 1       |
| Not Rated | 8       | 12      |

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

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Fund Summary as of February 28, 2011

**BlackRock Floating Rate Income Strategies Fund II, Inc.**

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### Investment Objective

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**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.

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### Portfolio Management Commentary

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#### How did the Fund perform?

For the 12 months ended February 28, 2011, the Fund returned 1.19% based on market price and 14.20% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 16.47% based on market price and 12.22% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### What factors influenced performance?

The bank loan sector posted strong returns as risk assets rallied during the period. Lower-quality sectors and credits outperformed their higher-quality counterparts and the high yield sector outperformed bank loans. Because the Fund invests primarily in bank loans, the use of leverage had a positive impact on returns (on an absolute basis) as these sectors advanced. Holding a greater allocation to high yield bonds relative to its Lipper category competitors drove the Fund s outperformance.

The Fund maintains a relatively conservative portfolio, weighted toward higher-quality speculative investments, which detracted from relative performance as lower quality outperformed during the period. In addition, the Fund maintains a lower level of leverage (at an average amount between 19% and 23% of its total managed assets) than the average level maintained by its Lipper category competitors, which detracted from performance on a relative basis.

#### Describe recent portfolio activity.

During the period, the Fund modestly increased its level of risk and use of leverage as market conditions improved. In particular, the Fund increased exposure to lower-quality credits and sectors that are more favorably impacted by rising commodity prices and an improving economy.

#### Describe portfolio positioning at period end.

At period end, the Fund held 81% of its total portfolio in floating rate loan interests and 15% in corporate bonds, with the remainder in asset-backed securities, common stocks and equity equivalents. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 20% 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.

**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 February 28, 2011 (\$14.22) <sup>1</sup> | 6.33%         |
| Current Monthly Distribution per Share <sup>2</sup>                          | \$0.075       |
| Current Annualized Distribution per Share <sup>2</sup>                       | \$0.900       |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 20%           |

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- The distribution rate is not constant and is subject to change.
- Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

|                 | 2/28/11  | 2/28/10  | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 14.22 | \$ 15.01 | (5.26)% | \$ 15.63 | \$ 12.80 |
| Net Asset Value | \$ 14.07 | \$ 13.16 | 6.91%   | \$ 14.07 | \$ 13.03 |

The following unaudited 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**

|                              | 2/28/11 | 2/28/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 81%     | 73%     |
| Corporate Bonds              | 15      | 26      |
| Asset-Backed Securities      | 3       |         |
| Other Interests              | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

|           | 2/28/11 | 2/28/10 |
|-----------|---------|---------|
| BBB/Baa   | 7%      | 6%      |
| BB/Ba     | 34      | 34      |
| B         | 42      | 38      |
| CCC/Caa   | 8       | 10      |
| CC/Ca     |         | 1       |
| D         |         | 2       |
| Not Rated | 9       | 9       |

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

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Fund Summary as of February 28, 2011

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

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### **Investment Objective**

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

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

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### **Portfolio Management Commentary**

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#### **How did the Fund perform?**

For the 12 months ended February 28, 2011, the Fund returned 15.13% based on market price and 17.13% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.06% based on market price and 21.40% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### **What factors influenced performance?**

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. While the Fund s average allocation to high yield contributed to performance on an absolute basis, its average allocation to bank loans hurt performance relative to its Lipper category competitors, which invest primarily in high yield bonds. Additionally, the Fund maintained leverage at an average amount between 18% and 22% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing. Lastly, the Fund s underexposure to lower-quality, speculative grade credits detracted modestly from performance as lower quality outperformed during the period.

Contributing positively to performance was security selection within the Fund s high yield allocation, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. The Fund s equity position, although small, boosted returns. In addition, limited exposure to high-quality, non-investment grade proved beneficial.

#### **Describe recent portfolio activity.**

Over the period, the Fund shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. In particular, the Fund increased its exposure to sectors where companies are positioned to benefit from rising commodity prices. In addition, the Fund increased its leverage during the period.

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

At period end, the Fund held 43% of its total portfolio in corporate bonds and 53% in floating rate loan interests, with the remainder in asset-backed securities, common stocks and equity equivalents. Cash positions were negligible for most of the period. The Fund ended the period with leverage at approximately 17% of its total managed assets.

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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.

**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 February 28, 2011 (\$4.18) <sup>1</sup> | 7.18%          |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.025        |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.300        |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 17%            |

<sup>1</sup> 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.

<sup>2</sup> The distribution rate is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

|                 | 2/28/11 | 2/28/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 4.18 | \$ 3.94 | 6.09%  | \$ 4.48 | \$ 3.59 |
| Net Asset Value | \$ 4.22 | \$ 3.91 | 7.93%  | \$ 4.22 | \$ 3.87 |

The following unaudited 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**

|                              | 2/28/11 | 2/28/10 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 53%     | 46%     |
| Corporate Bonds              | 43      | 52      |
| Asset-Backed Securities      | 2       |         |
| Common Stocks                | 1       | 2       |
| Other Interests              | 1       |         |



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**Credit Quality Allocations<sup>4</sup>**

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|           | 2/28/11 | 2/28/10 |
|-----------|---------|---------|
| BBB/Baa   | 9%      | 5%      |
| BB/Ba     | 31      | 33      |
| B         | 49      | 43      |
| CCC/Caa   | 3       | 11      |
| D         |         | 1       |
| Not Rated | 8       | 7       |

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

### The Benefits and Risks of Leveraging

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

The Funds may utilize leverage by borrowing through a credit facility. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, 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 issues debt securities for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays interest expense on the \$30 million of debt securities based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from borrowings earn income based on long-term interest rates. In this case, the interest expense of borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the shareholders are the beneficiaries of the incremental net income.

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

Furthermore, the value of the 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' NAV positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and shareholders, but as described above, it also creates risks as short or long-term interest rates fluctuate. Leverage also will generally cause greater changes in 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 Funds' 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, the Funds' 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 the Funds' ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility up to 33 $\frac{1}{3}$ % of their total managed assets. As of February 28, 2011, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

|     | Percent of<br>Leverage |
|-----|------------------------|
| COY | 20%                    |
| CYE | 24%                    |
| DSU | 20%                    |

|     |     |
|-----|-----|
| FRB | 20% |
| ARK | 17% |

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### Derivative Financial Instruments

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

successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio 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 Financial Statements.

Schedule of Investments February 28, 2011

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

| Common Stocks                                     | Shares | Value      |
|---|--------|------------|
| <b>Auto Components 0.3%</b>                       |        |            |
| Dana Holding Corp. (a)                            | 47,900 | \$ 904,352 |
| <b>Capital Markets 0.2%</b>                       |        |            |
| E*Trade Financial Corp. (a)                       | 26,900 | 429,862    |
| <b>Chemicals 0.0%</b>                             |        |            |
| Wellman Holdings, Inc. (a)                        | 1,425  | 71         |
| <b>Commercial Banks 0.1%</b>                      |        |            |
| CIT Group, Inc. (a)                               | 6,302  | 273,003    |
| <b>Communications Equipment 0.5%</b>              |        |            |
| Loral Space & Communications Ltd. (a)             | 18,513 | 1,400,694  |
| <b>Construction Materials 0.0%</b>                |        |            |
| Nortek, Inc. (a)                                  | 2,020  | 89,890     |
| <b>Containers &amp; Packaging 0.0%</b>            |        |            |
| Smurfit Kappa Plc (a)                             | 3,634  | 45,133     |
| <b>Diversified Financial Services 0.3%</b>        |        |            |
| Bank of America Corp.                             | 53,000 | 757,370    |
| <b>Electrical Equipment 0.0%</b>                  |        |            |
| Medis Technologies Ltd. (a)                       | 67,974 | 1,427      |
| <b>Food Products 0.1%</b>                         |        |            |
| Zhongpin, Inc. (a)                                | 10,737 | 199,601    |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>  |        |            |
| Zimmer Holdings, Inc. (a)                         | 5,148  | 320,926    |
| <b>Household Durables 0.3%</b>                    |        |            |
| Beazer Homes USA, Inc.                            | 65,388 | 304,054    |
| Pulte Group, Inc. (a)                             | 56,704 | 391,258    |
|   |        | 695,312    |
| <b>Machinery 0.2%</b>                             |        |            |
| Navistar International Corp. (a)                  | 7,184  | 445,264    |
| <b>Media 1.0%</b>                                 |        |            |
| Charter Communications, Inc. (a)                  | 50,616 | 2,316,694  |
| Clear Channel Outdoor Holdings, Inc., Class A (a) | 10,254 | 151,144    |

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|  |               |                   |
|--|---------------|-------------------|
|  |               | 2,467,838         |
| <b>Metals &amp; Mining 0.1%</b>                          |               |                   |
| African Minerals Ltd. (a)                                | 27,300        | 240,319           |
| <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>              |               |                   |
| Alpha Natural Resources, Inc. (a)                        | 11,200        | 607,264           |
| Marathon Oil Corp.                                       | 26,200        | 1,299,520         |
|  |               | 1,906,784         |
| <b>Paper &amp; Forest Products 0.2%</b>                  |               |                   |
| Ainsworth Lumber Co. Ltd. (a)                            | 36,744        | 121,402           |
| Ainsworth Lumber Co. Ltd. (a)(b)                         | 41,686        | 137,730           |
| Western Forest Products, Inc. (a)                        | 147,968       | 112,703           |
| Western Forest Products, Inc. (a)(b)                     | 41,528        | 31,631            |
|  |               | 403,466           |
| <b>Road &amp; Rail 0.3%</b>                              |               |                   |
| Dollar Thrifty Automotive Group, Inc. (a)                | 16,300        | 865,693           |
| <b>Common Stocks</b>                                     |               |                   |
|  | <b>Shares</b> | <b>Value</b>      |
| <b>Semiconductors &amp; Semiconductor Equipment 0.4%</b> |               |                   |
| Spansion, Inc., Class A (a)                              | 42,792        | \$ 901,627        |
| SunPower Corp., Class B (a)                              | 352           | 5,942             |
|  |               | 907,569           |
| <b>Software 0.2%</b>                                     |               |                   |
| Bankruptcy Management Solutions, Inc. (a)                | 468           | 1,637             |
| HMH Holdings/EduMedia (a)                                | 82,415        | 412,075           |
|  |               | 413,712           |
| <b>Wireless Telecommunication Services 0.7%</b>          |               |                   |
| American Tower Corp., Class A (a)                        | 10,566        | 570,141           |
| Crown Castle International Corp. (a)                     | 25,463        | 1,073,266         |
| FiberTower Corp. (a)                                     | 76,542        | 254,119           |
|  |               | 1,897,526         |
| <b>Total Common Stocks 5.7%</b>                          |               | <b>14,665,812</b> |

Corporate Bonds

Par  
(000)

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| <b>Aerospace &amp; Defense 0.3%</b>                        |     |     |         |
|--|-----|-----|---------|
| DynCorp International, Inc., 10.38%, 7/01/17 (b)           | USD | 230 | 247,250 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 |     | 430 | 484,825 |
|  |     |     | 732,075 |

| <b>Air Freight &amp; Logistics 0.5%</b> |  |     |           |
|---|--|-----|-----------|
| National Air Cargo Group, Inc.:         |  |     |           |
| Series 1, 12.38%, 9/02/15               |  | 663 | 663,146   |
| Series 2, 12.38%, 10/08/15              |  | 670 | 669,517   |
|   |  |     | 1,332,663 |

| <b>Airlines 2.9%</b>                    |  |       |           |
|---|--|-------|-----------|
| Air Canada, 9.25%, 8/01/15 (b)          |  | 970   | 1,037,900 |
| American Airlines, Inc.:                |  |       |           |
| 10.50%, 10/15/12                        |  | 870   | 954,825   |
| Series 2001-2, 7.86%, 4/01/13           |  | 390   | 402,675   |
| Continental Airlines, Inc.:             |  |       |           |
| 6.75%, 9/15/15 (b)                      |  | 540   | 554,850   |
| Series 1997-4-B, 6.90%, 7/02/18         |  | 382   | 387,652   |
| Series 2001-1-C, 7.03%, 12/15/12        |  | 177   | 178,186   |
| Series 2010-1-B, 6.00%, 7/12/20         |  | 400   | 399,000   |
| Delta Air Lines, Inc.:                  |  |       |           |
| Series 2010-1-B, 6.38%, 7/02/17         |  | 447   | 444,765   |
| Series B, 9.75%, 12/17/16               |  | 879   | 949,590   |
| United Air Lines, Inc., 12.75%, 7/15/12 |  | 1,964 | 2,194,949 |
|   |  |       | 7,504,392 |

| <b>Auto Components 1.5%</b>                               |  |       |           |
|---|--|-------|-----------|
| Allison Transmission, Inc. (b):                           |  |       |           |
| 11.00%, 11/01/15  |  | 220   | 239,250   |
| 11.25%, 11/01/15 (c)                                      |  | 164   | 178,760   |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 |  |       |           |
|   |  | 41    | 44,741    |
| Exide Technologies, 8.63%, 2/01/18 (b)                    |  | 340   | 362,525   |
| Icahn Enterprises LP, 8.00%, 1/15/18                      |  | 2,995 | 3,099,825 |
|   |  |       | 3,925,101 |

**Portfolio Abbreviations**

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

|             |                                      |
|-------------|--------------------------------------|
| <b>CAD</b>  | Canadian Dollar                      |
| <b>EUR</b>  | Euro                                 |
| <b>FKA</b>  | Formerly Known As                    |
| <b>GBP</b>  | British Pound                        |
| <b>MSCI</b> | Morgan Stanley Capital International |
| <b>USD</b>  | US Dollar                            |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

| Corporate Bonds                                   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Beverages 0.2%</b>                             |     |              |            |
| Cott Beverages, Inc., 8.13%, 9/01/18              | USD | 245          | \$ 263,681 |
| Crown European Holdings SA, 7.13%,<br>8/15/18 (b) | EUR | 225          | 330,673    |
|   |     |              | 594,354    |
| <b>Biotechnology 0.2%</b>                         |     |              |            |
| QHP Pharma, 10.25%, 3/15/15 (b)                   | USD | 477          | 480,405    |
| <b>Building Products 1.2%</b>                     |     |              |            |
| Associated Materials LLC, 9.13%, 11/01/17 (b)     |     | 450          | 486,563    |
| Building Materials Corp. of America (b):          |     |              |            |
| 6.88%, 8/15/18                                    |     | 490          | 502,250    |
| 7.00%, 2/15/20                                    |     | 570          | 600,637    |
| Momentive Performance Materials, Inc.:            |     |              |            |
| 11.50%, 12/01/16                                  |     | 155          | 168,175    |
| 9.00%, 1/15/21 (b)                                |     | 1,175        | 1,249,906  |
|   |     |              | 3,007,531  |
| <b>Capital Markets 0.6%</b>                       |     |              |            |
| American Capital Ltd., 7.96%, 12/31/13 (d)        |     | 470          | 481,313    |
| E*Trade Financial Corp., 3.43%, 8/31/19 (b)(e)(f) |     | 226          | 349,170    |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)         |     | 600          | 618,195    |
|   |     |              | 1,448,678  |
| <b>Chemicals 3.4%</b>                             |     |              |            |
| American Pacific Corp., 9.00%, 2/01/15            |     | 800          | 786,000    |
| Chemtura Corp., 7.88%, 9/01/18 (b)                |     | 490          | 523,075    |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)            |     | 155          | 172,437    |
| Hexion U.S. Finance Corp.:                        |     |              |            |
| 8.88%, 2/01/18                                    |     | 690          | 740,887    |
| 9.00%, 11/15/20 (b)                               |     | 340          | 361,675    |
| Huntsman International LLC (b):                   |     |              |            |
| 6.88%, 11/15/13                                   | EUR | 260          | 366,862    |
| 8.63%, 3/15/21                                    | USD | 460          | 510,600    |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)             |     | 385          | 422,537    |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)           |     | 115          | 117,300    |
| MacDermid, Inc., 9.50%, 4/15/17 (b)               |     | 1,180        | 1,256,700  |
| Nalco Co., 6.63%, 1/15/19 (b)                     |     | 305          | 315,294    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(g)        |     | 170          | 172,975    |
| OXEA Finance/Cy SCA (b):                          |     |              |            |
| 9.50%, 7/15/17                                    |     | 115          | 126,213    |
| 9.63%, 7/15/17                                    | EUR | 385          | 595,675    |



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|   |     |     |           |
|---|-----|-----|-----------|
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b)   | USD | 135 | 138,544   |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)       |     | 134 | 139,528   |
| PolyOne Corp., 7.38%, 9/15/20                 |     | 200 | 212,000   |
| Rhodia SA, 6.88%, 9/15/20 (b)                 |     | 720 | 737,100   |
| TPC Group LLC, 8.25%, 10/01/17 (b)            |     | 310 | 329,762   |
| Wellman Holdings, Inc., Subordinate Note (e): |     |     |           |
| (Second Lien), 10.00%, 1/29/19 (b)            |     | 790 | 687,300   |
| (Third Lien), 5.00%, 1/29/19 (c)              |     | 265 | 103,526   |
|   |     |     | 8,815,990 |

**Commercial Banks 2.8%**

|                  |  |       |           |
|------------------|--|-------|-----------|
| CIT Group, Inc.: |  |       |           |
| 7.00%, 5/01/16   |  | 2,125 | 2,143,594 |
| 7.00%, 5/01/17   |  | 5,100 | 5,138,250 |
|                  |  |       | 7,281,844 |

**Commercial Services & Supplies 1.7%**

|  |  |     |         |
|--|--|-----|---------|
| ACCO Brands Corp., 10.63%, 3/15/15                 |  | 695 | 785,350 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) |  | 480 | 516,000 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (b)    |  | 350 | 358,750 |
| International Lease Finance Corp., 8.25%, 12/15/20 |  | 298 | 331,525 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)             |  | 210 | 223,650 |
| RSC Equipment Rental, Inc. (b):                    |  |     |         |
| 10.00%, 7/15/17                                    |  | 555 | 638,250 |
| 8.25%, 2/01/21                                     |  | 540 | 571,050 |

| Corporate Bonds                                       |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Commercial Services &amp; Supplies (concluded)</b> |     |              |    |           |
| West Corp. (b):                                       |     |              |    |           |
| 8.63%, 10/01/18                                       | USD | 695          | \$ | 736,700   |
| 7.88%, 1/15/19  |     | 185          |    | 189,856   |
|   |     |              |    | 4,351,131 |

**Communications Equipment 0.2%**

|                                |  |     |         |
|--------------------------------|--|-----|---------|
| Avaya Inc., 7.00%, 4/01/19 (b) |  | 390 | 386,100 |
|--------------------------------|--|-----|---------|

**Computers & Peripherals 0.3%**

|                                |  |     |         |
|--------------------------------|--|-----|---------|
| EMC Corp., 1.75%, 12/01/13 (e) |  | 460 | 803,850 |
|--------------------------------|--|-----|---------|

**Construction Materials 1.3%**

|                      |  |       |           |
|----------------------|--|-------|-----------|
| Nortek, Inc.:        |  |       |           |
| 11.00%, 12/01/13     |  | 2,029 | 2,160,861 |
| 10.00%, 12/01/18 (b) |  | 1,090 | 1,163,575 |
|                      |  |       | 3,324,436 |

**Consumer Finance 0.7%**

|   |  |     |         |
|---|--|-----|---------|
| Credit Acceptance Corp., 9.13%, 2/01/17 |  | 640 | 689,600 |
| Ford Motor Credit Co. LLC:              |  |     |         |
| 3.05%, 1/13/12 (h)                      |  | 195 | 196,987 |
| 7.80%, 6/01/12                          |  | 200 | 213,289 |
| 6.63%, 8/15/17                          |  | 770 | 818,955 |

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|  |     |       |            |
|--|-----|-------|------------|
|  |     |       | 1,918,831  |
| <b>Containers &amp; Packaging 2.2%</b>                 |     |       |            |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (b)   | EUR | 435   | 619,791    |
| Ball Corp., 6.75%, 9/15/20                             | USD | 475   | 497,563    |
| Berry Plastics Corp.:                                  |     |       |            |
| 8.25%, 11/15/15  |     | 125   | 133,906    |
| 9.75%, 1/15/21 (b)                                     |     | 850   | 852,125    |
| Graham Packaging Co. LP, 8.25%, 10/01/18               |     | 230   | 247,825    |
| Graphic Packaging International, Inc.:                 |     |       |            |
| 9.50%, 6/15/17   |     | 810   | 899,100    |
| 7.88%, 10/01/18  |     | 365   | 392,375    |
| OI European Group BV, 6.88%, 3/31/17                   | EUR | 152   | 218,406    |
| Pregis Corp., 12.38%, 10/15/13                         | USD | 535   | 539,012    |
| Smurfit Kappa Acquisitions (b):                        |     |       |            |
| 7.25%, 11/15/17  | EUR | 465   | 680,181    |
| 7.75%, 11/15/19  |     | 440   | 649,684    |
|  |     |       | 5,729,968  |
| <b>Diversified Consumer Services 1.2%</b>              |     |       |            |
| Service Corp. International, 7.00%, 6/15/17            | USD | 2,800 | 2,982,000  |
| <b>Diversified Financial Services 5.7%</b>             |     |       |            |
| Ally Financial, Inc.:                                  |     |       |            |
| 7.50%, 12/31/13  |     | 350   | 381,500    |
| 2.51%, 12/01/14 (h)                                    |     | 371   | 364,565    |
| 8.30%, 2/12/15   |     | 1,080 | 1,219,050  |
| 6.25%, 12/01/17 (b)                                    |     | 710   | 741,063    |
| 8.00%, 3/15/20   |     | 1,390 | 1,565,487  |
| 7.50%, 9/15/20 (b)                                     |     | 1,120 | 1,225,000  |
| 8.00%, 11/01/31  |     | 930   | 1,064,850  |
| 8.00%, 11/01/31  |     | 810   | 927,768    |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  |     | 410   | 452,025    |
| FCE Bank Plc, 7.13%, 1/15/13                           | EUR | 550   | 799,772    |
| Leucadia National Corp., 8.13%, 9/15/15                | USD | 1,120 | 1,232,000  |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) |     | 1,195 | 1,272,675  |
| Reynolds Group Issuer, Inc. (b):                       |     |       |            |
| 7.75%, 10/15/16  | EUR | 350   | 511,964    |
| 7.13%, 4/15/19   | USD | 540   | 553,500    |
| 9.00%, 4/15/19   |     | 1,580 | 1,647,150  |
| 6.88%, 2/15/21   |     | 360   | 360,900    |
| 8.25%, 2/15/21   |     | 450   | 451,125    |
|  |     |       | 14,770,394 |

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<br>(000) | Value      |
|--|--------------|------------|
| <b>Diversified Telecommunication Services 4.1%</b>                 |              |            |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12              | USD 1,000    | \$ 996,250 |
| Frontier Communications Corp.:                                     |              |            |
| 8.25%, 4/15/17   | 350          | 386,750    |
| 8.50%, 4/15/20   | 325          | 360,750    |
| GCI, Inc., 8.63%, 11/15/19   | 1,100        | 1,210,000  |
| ITC Deltacom, Inc., 10.50%, 4/01/16                                | 320          | 351,200    |
| Level 3 Communications, Inc., 6.50%,<br>10/01/16 (e)               | 250          | 356,875    |
| Level 3 Financing, Inc.:   |              |            |
| 5.50%, 11/01/14  | 120          | 123,900    |
| 8.75%, 2/15/17   | 1,350        | 1,326,375  |
| Qwest Communications International, Inc.:                          |              |            |
| 7.50%, 2/15/14   | 1,890        | 1,918,350  |
| 8.00%, 10/01/15  | 500          | 545,625    |
| Series B, 7.50%, 2/15/14   | 1,385        | 1,405,775  |
| Qwest Corp., 7.63%, 6/15/15  | 500          | 573,750    |
| Windstream Corp.:  |              |            |
| 8.13%, 8/01/13   | 400          | 440,500    |
| 7.88%, 11/01/17  | 600          | 651,750    |
|  |              | 10,647,850 |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.7%</b> |              |            |
| CDW LLC:   |              |            |
| 11.00%, 10/12/15   | 110          | 119,625    |
| 11.50%, 10/12/15 (c)   | 610          | 661,850    |
| 8.00%, 12/15/18 (b)  | 520          | 559,000    |
| NXP BV, 3.05%, 10/15/13 (h)  | 475          | 472,625    |
|  |              | 1,813,100  |
| <b>Energy Equipment &amp; Services 1.4%</b>                        |              |            |
| Bayou Well Services, 0.16%, 12/22/13                               | 575          | 575,000    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                           | 225          | 230,625    |
| Compagnie Générale de Géophysique-Veritas:                         |              |            |
| 7.50%, 5/15/15   | 910          | 941,850    |
| 7.75%, 5/15/17   | 235          | 248,512    |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)                       | 405          | 415,125    |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)                        | 575          | 595,125    |
| Precision Drilling Corp., 6.63%, 11/15/20 (b)                      | 105          | 108,413    |
| Thermon Industries, Inc., 9.50%, 5/01/17                           | 500          | 541,250    |
|  |              | 3,655,900  |

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| <b>Food &amp; Staples Retailing 0.7%</b> |     |           |
|--|-----|-----------|
| AmeriQual Group LLC, 9.50%, 4/01/12 (b)  | 520 | 514,800   |
| BI-LO LLC, 9.25%, 2/15/19 (b)            | 305 | 317,200   |
| Rite Aid Corp.:                          |     |           |
| 9.75%, 6/12/16                           | 380 | 427,975   |
| 7.50%, 3/01/17                           | 580 | 583,625   |
|  |     | <hr/>     |
|  |     | 1,843,600 |

| <b>Food Products 0.5%</b>                        |     |           |
|--|-----|-----------|
| B&G Foods, Inc., 7.63%, 1/15/18                  | 200 | 213,500   |
| Blue Merger Sub Inc., 7.63%, 2/15/19 (b)         | 240 | 242,400   |
| Darling International, Inc., 8.50%, 12/15/18 (b) | 220 | 237,325   |
| Reddy Ice Corp., 11.25%, 3/15/15                 | 410 | 430,500   |
| Smithfield Foods, Inc., 10.00%, 7/15/14          | 59  | 69,620    |
|  |     | <hr/>     |
|  |     | 1,193,345 |

| <b>Health Care Equipment &amp; Supplies 1.4%</b> |       |           |
|--|-------|-----------|
| DJO Finance LLC, 10.88%, 11/15/14                | 2,255 | 2,472,044 |
| Hologic, Inc., 2.00%, 12/15/37 (d)(e)            | 1,295 | 1,248,056 |
|  |       | <hr/>     |
|  |       | 3,720,100 |

| Corporate Bonds                                   |     | Par<br>(000) |    | Value      |
|---|-----|--------------|----|------------|
| <b>Health Care Providers &amp; Services 5.6%</b>  |     |              |    |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | USD | 255          | \$ | 265,837    |
| ConvaTec Healthcare E SA (b):                     |     |              |    |            |
| 7.38%, 12/15/17                                   | EUR | 400          |    | 574,062    |
| 10.50%, 12/15/18                                  | USD | 440          |    | 469,700    |
| DaVita, Inc., 6.38%, 11/01/18                     |     | 360          |    | 364,950    |
| Gentiva Health Services Inc., 11.50%, 9/01/18     |     | 655          |    | 737,694    |
| HCA, Inc.:  |     |              |    |            |
| 9.13%, 11/15/14                                   |     | 1,645        |    | 1,725,194  |
| 8.50%, 4/15/19                                    |     | 935          |    | 1,047,200  |
| 7.25%, 9/15/20                                    |     | 2,145        |    | 2,313,919  |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        |     | 600          |    | 616,500    |
| Omnicare, Inc.:                                   |     |              |    |            |
| 6.13%, 6/01/13                                    |     | 164          |    | 164,615    |
| 6.88%, 12/15/15                                   |     | 400          |    | 413,000    |
| 7.75%, 6/01/20                                    |     | 580          |    | 619,150    |
| Priory Group Ltd., 7.00%, 2/15/18 (b)             | GBP | 124          |    | 206,620    |
| Tenet Healthcare Corp.:                           |     |              |    |            |
| 9.00%, 5/01/15                                    | USD | 1,717        |    | 1,888,700  |
| 10.00%, 5/01/18                                   |     | 622          |    | 730,850    |
| 8.88%, 7/01/19                                    |     | 2,010        |    | 2,286,375  |
|   |     |              |    | <hr/>      |
|   |     |              |    | 14,424,366 |

| <b>Health Care Technology 1.1%</b>    |       |           |
|---------------------------------------|-------|-----------|
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 2,235 | 2,620,537 |
| MedAssets, Inc., 8.00%, 11/15/18 (b)  | 150   | 154,125   |
|                                       |       | <hr/>     |
|                                       |       | 2,774,662 |

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| <b>Hotels, Restaurants &amp; Leisure 3.8%</b>                     |     |       |           |
|---|-----|-------|-----------|
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)                            |     | 570   | 598,500   |
| Caesars Entertainment Operating Co., Inc., 10.00%,<br>12/15/18    |     | 3,455 | 3,247,700 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                       | EUR | 50    | 71,758    |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)                       | USD | 310   | 323,175   |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)                        |     | 1,100 | 1,179,750 |
| Enterprise Inns Plc, 6.50%, 12/06/18                              | GBP | 388   | 572,406   |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17                     | USD | 615   | 698,025   |
| Inn of the Mountain Gods Resort & Casino (b):                     |     |       |           |
| 1.25%, 11/30/20 (c)   |     | 961   | 499,720   |
| 8.75%, 11/30/20   |     | 427   | 405,650   |
| Little Traverse Bay Bands of Odawa Indians, 9.00%,<br>8/31/20 (b) |     | 340   | 280,500   |
| MGM Mirage, 13.00%, 11/15/13                                      |     | 90    | 107,775   |
| MGM Resorts International:  |     |       |           |
| 10.38%, 5/15/14   |     | 235   | 263,200   |
| 11.13%, 11/15/17  |     | 780   | 898,950   |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (b)           |     | 110   | 112,200   |
| Travelport LLC:   |     |       |           |
| 4.94%, 9/01/14 (h)  |     | 145   | 129,413   |
| 9.88%, 9/01/14  |     | 170   | 165,962   |
| 9.00%, 3/01/16  |     | 110   | 103,950   |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(i) |     | 315   | 32        |
|   |     |       | 9,658,666 |

| <b>Household Durables 4.1%</b>                   |     |       |           |
|--|-----|-------|-----------|
| American Standard Americas, 10.75%, 1/15/16 (b)  |     | 380   | 403,750   |
| Ashton Woods USA LLC, 21.57%, 6/30/15 (b)(j)     |     | 805   | 523,250   |
| Beazer Homes USA, Inc.:                          |     |       |           |
| 8.13%, 6/15/16                                   |     | 295   | 299,794   |
| 12.00%, 10/15/17                                 |     | 1,425 | 1,656,562 |
| 9.13%, 6/15/18                                   |     | 1,620 | 1,672,650 |
| Jarden Corp., 7.50%, 1/15/20                     | EUR | 285   | 410,003   |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | USD | 1,620 | 1,755,675 |
| Ryland Group, Inc., 6.63%, 5/01/20               |     | 625   | 612,500   |

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<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Household Durables (concluded)</b>                            |     |              |              |
| Standard Pacific Corp.:  |     |              |              |
| 10.75%, 9/15/16  | USD | 1,285        | \$ 1,509,875 |
| 8.38%, 5/15/18   |     | 420          | 445,200      |
| 8.38%, 5/15/18 (b)   |     | 440          | 466,400      |
| 8.38%, 1/15/21 (b)   |     | 715          | 754,325      |
|  |     |              | 10,509,984   |
| <b>IT Services 1.8%</b>  |     |              |              |
| First Data Corp. (b):  |     |              |              |
| 8.88%, 8/15/20   |     | 1,175        | 1,286,625    |
| 8.25%, 1/15/21   |     | 1,610        | 1,601,950    |
| 12.63%, 1/15/21  |     | 763          | 799,242      |
| SunGard Data Systems, Inc. (b):                                  |     |              |              |
| 7.38%, 11/15/18  |     | 440          | 454,300      |
| 7.63%, 11/15/20  |     | 550          | 567,875      |
|  |     |              | 4,709,992    |
| <b>Independent Power Producers &amp;<br/>Energy Traders 3.2%</b> |     |              |              |
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (b)       |     |              |              |
|  |     | 1,190        | 1,291,150    |
| Calpine Corp. (b):   |     |              |              |
| 7.50%, 2/15/21   |     | 435          | 444,788      |
| 7.88%, 1/15/23   |     | 585          | 601,087      |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b)                |     | 3,115        | 3,243,811    |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20  |     | 161          | 168,060      |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                             |     | 2,515        | 2,618,744    |
|  |     |              | 8,367,640    |
| <b>Industrial Conglomerates 2.5%</b>                             |     |              |              |
| Sequa Corp. (b):   |     |              |              |
| 11.75%, 12/01/15   |     | 2,190        | 2,376,150    |
| 13.50%, 12/01/15 (c)   |     | 3,759        | 4,162,818    |
|  |     |              | 6,538,968    |
| <b>Insurance 1.0%</b>  |     |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)                    |     | 1,600        | 1,692,000    |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)                    |     | 316          | 336,540      |
| USI Holdings Corp., 4.16%, 11/15/14 (b)(h)                       |     | 630          | 607,950      |

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|                                     |       |           |
|-------------------------------------|-------|-----------|
|                                     |       | 2,636,490 |
| <b>Machinery 1.9%</b>               |       |           |
| AGY Holding Corp., 11.00%, 11/15/14 | 900   | 801,000   |
| Navistar International Corp.:       |       |           |
| 3.00%, 10/15/14 (e)                 | 1,680 | 2,347,800 |
| 8.25%, 11/01/21                     | 630   | 697,725   |
| Oshkosh Corp., 8.25%, 3/01/17       | 90    | 99,900    |
| Titan International, Inc. (b):      |       |           |
| 5.63%, 1/15/17 (e)                  | 220   | 573,100   |
| 7.88%, 10/01/17                     | 430   | 460,100   |
|                                     |       | 4,979,625 |

|   |       |           |
|---|-------|-----------|
| <b>Marine 0.7%</b>                      |       |           |
| Horizon Lines, Inc., 4.25%, 8/15/12 (e) | 1,985 | 1,841,087 |

|   |       |           |
|---|-------|-----------|
| <b>Media 13.0%</b>  |       |           |
| AMC Entertainment Holdings, Inc., 9.75%,<br>12/01/20 (b)    | 470   | 504,075   |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                   | 525   | 502,687   |
| CCH II LLC, 13.50%, 11/30/16                                | 502   | 608,488   |
| CCO Holdings LLC:   |       |           |
| 7.88%, 4/30/18  | 430   | 459,025   |
| 8.13%, 4/30/20  | 430   | 463,863   |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (b)(h)                | 150   | 105,738   |
| CSC Holdings, Inc., 8.50%, 4/15/14                          | 370   | 414,400   |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(c)           | 555   | 600,787   |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | 1,345 | 1,395,437 |

| Corporate Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Media (concluded)</b>                                  |              |            |
| Checkout Holding Corp., 10.98%, 11/15/15 (b)(f)           | USD 805      | \$ 519,225 |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)           | 235          | 252,038    |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 (b) | 235          | 238,819    |
| Clear Channel Worldwide Holdings, Inc.:                   |              |            |
| 9.25%, 12/15/17   | 1,404        | 1,558,440  |
| Series B, 9.25%, 12/15/17                                 | 5,160        | 5,740,500  |
| Cox Enterprises, Inc.:                                    |              |            |
| Loan Close 2, 4.00%, 8/15/18                              | 617          | 617,372    |
| Loan Close 3, 12.00%, 8/15/18                             | 706          | 705,833    |
| Shares Loan, 4.00%, 8/15/18                               | 728          | 727,963    |
| DISH DBS Corp., 7.00%, 10/01/13                           | 90           | 96,750     |
| Gray Television, Inc., 10.50%, 6/29/15                    | 900          | 956,250    |
| Harland Clarke Holdings Corp.:                            |              |            |
| 6.00%, 5/15/15 (h)  | 330          | 296,175    |
| 9.50%, 5/15/15  | 390          | 383,175    |
| Interactive Data Corp., 10.25%, 8/01/18 (b)               | 945          | 1,058,400  |
| Liberty Global, Inc., 4.50%, 11/15/16 (e)                 | 370          | 641,025    |
| Liberty Media Corp., 3.13%, 3/30/23 (e)                   | 1,023        | 1,260,847  |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)       | 740          | 762,200    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b)    | 570          | 612,750    |
| Nielsen Finance LLC:                                      |              |            |
| 11.63%, 2/01/14   | 45           | 52,875     |

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|  |     |       |            |
|--|-----|-------|------------|
| 7.75%, 10/15/18 (b)                                    |     | 2,085 | 2,254,406  |
| ProQuest LLC, 9.00%, 10/15/18 (b)                      |     | 460   | 476,100    |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(i)           |     | 812   | 8,118      |
| Rainbow National Services LLC (b):                     |     |       |            |
| 8.75%, 9/01/12   |     | 410   | 411,538    |
| 10.38%, 9/01/14  |     | 1,496 | 1,557,710  |
| Regal Entertainment Group, 9.13%, 8/15/18              |     | 305   | 326,350    |
| UPC Germany GmbH (b):                                  |     |       |            |
| 8.13%, 12/01/17  |     | 640   | 686,400    |
| 8.13%, 12/01/17  | EUR | 407   | 604,468    |
| 9.63%, 12/01/19  |     | 530   | 831,028    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                     | USD | 500   | 555,000    |
| UPCB Finance II Ltd., 6.38%, 7/01/20                   | EUR | 753   | 1,026,090  |
| Unitymedia GmbH, 9.63%, 12/01/19                       |     | 158   | 247,740    |
| Univision Communications, Inc., 7.88%,<br>11/01/20 (b) | USD | 425   | 455,813    |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18       | GBP | 537   | 940,627    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                  | EUR | 343   | 507,642    |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                  |     | 735   | 1,037,090  |
|  |     |       | 33,461,257 |

**Metals & Mining 4.3%**

|   |     |       |            |
|---|-----|-------|------------|
| Drummond Co., Inc.:   |     |       |            |
| 9.00%, 10/15/14 (b)   | USD | 580   | 619,150    |
| 7.38%, 2/15/16  |     | 215   | 222,525    |
| FMG Resources August 2006 Property Ltd., 7.00%,<br>11/01/15 (b) |     | 1,460 | 1,514,750  |
| Foundation PA Coal Co., 7.25%, 8/01/14                          |     | 1,850 | 1,887,000  |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)                              |     | 550   | 692,313    |
| New World Resources NV, 7.88%, 5/01/18                          | EUR | 627   | 930,126    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e)           | USD | 395   | 526,831    |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              |     | 3,235 | 3,566,587  |
| Ryerson, Inc.:  |     |       |            |
| 7.66%, 11/01/14 (h)   |     | 380   | 364,800    |
| 12.00%, 11/01/15  |     | 245   | 263,375    |
| Steel Dynamics, Inc., 7.38%, 11/01/12                           |     | 200   | 212,500    |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b)                       |     | 185   | 203,963    |
|   |     |       | 11,003,920 |

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<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Multiline Retail 1.8%</b>                  |     |              |              |
| Dollar General Corp., 11.88%, 7/15/17 (c)     | USD | 4,007        | \$ 4,633,094 |
| <b>Oil, Gas &amp; Consumable Fuels 7.5%</b>   |     |              |              |
| Arch Coal, Inc., 7.25%, 10/01/20              |     | 790          | 839,375      |
| Berry Petroleum Co., 8.25%, 11/01/16          |     | 470          | 496,438      |
| Bill Barrett Corp., 9.88%, 7/15/16            |     | 40           | 44,800       |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)  |     | 210          | 223,125      |
| Chaparral Energy Inc., 8.25%, 9/01/21 (b)     |     | 230          | 234,025      |
| Chesapeake Energy Corp.:                      |     |              |              |
| 6.63%, 8/15/20                                |     | 1,460        | 1,533,000    |
| 6.13%, 2/15/21                                |     | 870          | 887,400      |
| 2.25%, 12/15/38 (e)                           |     | 775          | 709,125      |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) |     | 243          | 264,870      |
| Concho Resources, Inc., 7.00%, 1/15/21        |     | 375          | 392,813      |
| Connacher Oil and Gas Ltd. (b):               |     |              |              |
| 11.75%, 7/15/14                               |     | 165          | 178,613      |
| 10.25%, 12/15/15                              |     | 1,075        | 1,136,812    |
| Consol Energy, Inc., 8.25%, 4/01/20           |     | 1,825        | 2,012,062    |
| Continental Resources, Inc., 7.13%, 4/01/21   |     | 340          | 362,100      |
| Crosstex Energy LP, 8.88%, 2/15/18            |     | 165          | 181,913      |
| Denbury Resources Inc.:                       |     |              |              |
| 8.25%, 2/15/20                                |     | 652          | 725,350      |
| 6.38%, 8/15/21                                |     | 320          | 323,200      |
| Energy Transfer Equity LP, 7.50%, 10/15/20    |     | 125          | 135,469      |
| Energy XXI Gulf Coast, Inc. (b):              |     |              |              |
| 9.25%, 12/15/17                               |     | 390          | 419,250      |
| 7.75%, 6/15/19                                |     | 480          | 484,800      |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)       |     | 710          | 749,050      |
| Linn Energy LLC (b):                          |     |              |              |
| 8.63%, 4/15/20                                |     | 1,005        | 1,120,575    |
| 7.75%, 2/01/21                                |     | 545          | 579,062      |
| MarkWest Energy Partners LP, 6.75%, 11/01/20  |     | 240          | 246,000      |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)  |     | 1,730        | 1,885,700    |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)     |     | 210          | 213,150      |
| Peabody Energy Corp., 6.50%, 9/15/20          |     | 505          | 540,350      |
| Petrohawk Energy Corp.:                       |     |              |              |
| 10.50%, 8/01/14                               |     | 350          | 402,500      |
| 7.88%, 6/01/15                                |     | 450          | 477,000      |
| Range Resources Corp., 8.00%, 5/15/19         |     | 400          | 440,500      |
| SM Energy Co., 6.63%, 2/15/19 (b)             |     | 260          | 262,925      |
| Teekay Corp., 8.50%, 1/15/20                  |     | 610          | 656,512      |
| United Refining Co., 10.50%, 2/28/18 (b)(g)   |     | 240          | 237,600      |
|   |     |              | 19,395,464   |

**Paper & Forest Products 2.8%**

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|   |       |           |
|---|-------|-----------|
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c) | 345   | 350,280   |
| Boise Paper Holdings LLC:                         |       |           |
| 9.00%, 11/01/17                                   | 310   | 345,650   |
| 8.00%, 4/01/20                                    | 140   | 154,350   |
| Clearwater Paper Corp.:                           |       |           |
| 10.63%, 6/15/16                                   | 370   | 422,725   |
| 7.13%, 11/01/18 (b)                               | 535   | 555,063   |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b)           | 1,525 | 1,719,437 |
| NewPage Corp., 11.38%, 12/31/14                   | 2,510 | 2,503,725 |
| Verso Paper Holdings LLC:                         |       |           |
| 11.50%, 7/01/14                                   | 785   | 865,462   |
| 8.75%, 2/01/19 (b)                                | 215   | 224,675   |
|   |       | 7,141,367 |

**Pharmaceuticals 0.9%**

|   |         |         |
|---|---------|---------|
| Angiotech Pharmaceuticals, Inc., 4.06%,<br>12/01/13 (h) | 845     | 709,800 |
| Grifols, Inc., 8.25%, 2/01/18 (b)                       | 120     | 123,300 |
| Novasep Holding SAS, 9.63%, 12/15/16 (b)                | EUR 486 | 543,234 |

| Corporate Bonds                            | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Pharmaceuticals (concluded)</b>         |              |            |
| Valeant Pharmaceuticals International (b): |              |            |
| 6.75%, 10/01/17                            | USD 350      | \$ 362,250 |
| 7.00%, 10/01/20                            | 445          | 460,019    |
|  |              | 2,198,603  |

**Professional Services 0.3%**

|   |     |         |
|---|-----|---------|
| FTI Consulting, Inc., 6.75%, 10/01/20 (b) | 850 | 850,000 |
|---|-----|---------|

**Real Estate Investment Trusts (REITs) 1.0%**

|  |       |           |
|--|-------|-----------|
| iStar Financial, Inc., 5.65%, 9/15/11                    | 1,500 | 1,500,000 |
| Omega Healthcare Investors, Inc., 6.75%,<br>10/15/22 (b) | 495   | 499,950   |
| The Rouse Co. LP, 6.75%, 11/09/15                        | 480   | 502,800   |
|  |       | 2,502,750 |

**Real Estate Management & Development 1.9%**

|   |       |           |
|---|-------|-----------|
| CB Richard Ellis Services Inc., 6.63%, 10/15/20 | 310   | 319,687   |
| Forest City Enterprises, Inc., 7.63%, 6/01/15   | 1,325 | 1,285,250 |
| Realogy Corp. (b):                              |       |           |
| 11.50%, 4/15/17                                 | 725   | 772,125   |
| 7.88%, 2/15/19                                  | 2,440 | 2,449,150 |
|   |       | 4,826,212 |

**Road & Rail 2.1%**

|   |     |         |
|---|-----|---------|
| Avis Budget Car Rental LLC:                             |     |         |
| 9.63%, 3/15/18  | 475 | 530,813 |
| 8.25%, 1/15/19  | 710 | 753,487 |
| Florida East Coast Railway Corp., 8.13%,<br>2/01/17 (b) | 410 | 428,450 |
| The Hertz Corp. (b):                                    |     |         |

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|  |     |       |           |
|--|-----|-------|-----------|
| 7.50%, 10/15/18                                      |     | 595   | 629,956   |
| 6.75%, 4/15/19                                       |     | 410   | 418,200   |
| 7.38%, 1/15/21                                       |     | 455   | 475,475   |
| Hertz Holdings Netherlands BV, 8.50%,<br>7/31/15 (b) | EUR | 1,225 | 1,838,362 |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)     | USD | 330   | 342,375   |
|  |     |       | 5,417,118 |

**Semiconductors & Semiconductor  
Equipment 0.3%**

|  |  |     |         |
|--|--|-----|---------|
| Linear Technology Corp., Series A, 3.00%,<br>5/01/27 (e) |  | 405 | 440,944 |
| Spansion LLC, 7.88%, 11/15/17 (b)                        |  | 260 | 265,200 |
|  |  |     | 706,144 |

**Specialty Retail 1.6%**

|   |  |     |           |
|---|--|-----|-----------|
| Asbury Automotive Group, Inc., 8.38%,<br>11/15/20 (b) |  | 305 | 320,250   |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(g)          |  | 295 | 296,106   |
| Hillman Group, Inc., 10.88%, 6/01/18                  |  | 490 | 539,000   |
| Ltd. Brands, Inc., 8.50%, 6/15/19                     |  | 745 | 853,025   |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b)      |  | 415 | 448,200   |
| Sonic Automotive, Inc., 9.00%, 3/15/18                |  | 345 | 369,150   |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b)          |  | 390 | 410,963   |
| United Auto Group, Inc., 7.75%, 12/15/16              |  | 950 | 980,875   |
|   |  |     | 4,217,569 |

**Transportation Infrastructure 0.2%**

|                                 |  |     |         |
|---------------------------------|--|-----|---------|
| Aguila 3 SA, 7.88%, 1/31/18 (b) |  | 398 | 412,925 |
|---------------------------------|--|-----|---------|

**Wireless Telecommunication Services 4.4%**

|                                   |  |       |           |
|-----------------------------------|--|-------|-----------|
| Clearwire Communications LLC (b): |  |       |           |
| 12.00%, 12/01/15                  |  | 460   | 501,400   |
| 12.00%, 12/01/17                  |  | 1,040 | 1,123,200 |
| Cricket Communications, Inc.:     |  |       |           |
| 10.00%, 7/15/15                   |  | 715   | 788,288   |
| 7.75%, 5/15/16                    |  | 336   | 355,320   |

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<br>(000) | Value       |
|---|---------------|--------------|-------------|
| <b>Wireless Telecommunication Services (concluded)</b>  |               |              |             |
| Digicel Group Ltd. (b):   |               |              |             |
| 8.88%, 1/15/15  | USD           | 635          | \$ 660,400  |
| 9.13%, 1/15/15 (c)  |               | 1,711        | 1,781,623   |
| 8.25%, 9/01/17  |               | 1,135        | 1,186,075   |
| 10.50%, 4/15/18   |               | 500          | 570,000     |
| FiberTower Corp., 9.00%, 1/01/16 (c)  |               | 302          | 258,202     |
| Intelsat Jackson Holdings SA, 7.25%,<br>10/15/20 (b)  |               | 320          | 328,800     |
| iPCS, Inc., 2.43%, 5/01/13 (h)  |               | 760          | 750,500     |
| MetroPCS Wireless, Inc.:  |               |              |             |
| 7.88%, 9/01/18  |               | 480          | 507,000     |
| 6.63%, 11/15/20   |               | 700          | 681,625     |
| NII Holdings, Inc., 3.13%, 6/15/12 (e)  |               | 340          | 338,300     |
| Sprint Capital Corp., 6.88%, 11/15/28   |               | 1,460        | 1,315,825   |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)  |               | 240          | 259,200     |
|   |               |              | 11,405,758  |
| <b>Total Corporate Bonds</b>  | <b>103.5%</b> |              | 266,877,299 |
| <b>Floating Rate Loan Interests (h)</b>   |               |              |             |
| <b>Building Products 0.2%</b>   |               |              |             |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17                             |               | 500          | 515,312     |
| <b>Capital Markets 0.1%</b>   |               |              |             |
| Marsico Parent Co., LLC, Term Loan, 5.31%,<br>12/15/14  |               | 375          | 304,745     |
| <b>Chemicals 0.1%</b>   |               |              |             |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Facility<br>(First Lien), 3.52% 3.56%, 7/30/14 |               | 404          | 397,208     |
| <b>Construction &amp; Engineering 0.7%</b>  |               |              |             |
| Safeway Services, LLC, Last Out Term Loan, 15.63%,<br>12/18/17                                |               | 1,750        | 1,750,000   |
| <b>Health Care Providers &amp; Services 0.7%</b>  |               |              |             |
| Harden Healthcare, Inc.:  |               |              |             |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  |               | 475          | 465,500     |

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|  |     |           |
|--|-----|-----------|
| Tranche A Term Loan, 8.50%, 3/02/15  | 396 | 388,178   |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.),<br>Term Loan B, 6.50%, 8/04/16 | 896 | 899,418   |
|  |     | 1,753,096 |

**Hotels, Restaurants & Leisure 0.8%**

|  |       |           |
|--|-------|-----------|
| Harrah's Operating Co., Inc., Term Loan B-3,<br>3.30%, 1/28/15 | 400   | 371,389   |
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.31%,<br>3/27/12 | 1,915 | 1,709,399 |
|  |       | 2,080,788 |

**IT Services 0.4%**

|   |     |           |
|---|-----|-----------|
| First Data Corp.:                             |     |           |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14 | 47  | 44,203    |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14 | 378 | 358,339   |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14 | 741 | 701,566   |
|   |     | 1,104,108 |

**Independent Power Producers &  
Energy Traders 1.0%**

|   |       |           |
|---|-------|-----------|
| Texas Competitive Electric Holdings Co., LLC (TXU):     |       |           |
| Initial Tranche B-1 Term Loan, 3.76% 3.80%,<br>10/10/14 | 204   | 172,086   |
| Initial Tranche B-2 Term Loan, 3.76% 3.80%,<br>10/10/14 | 295   | 248,461   |
| Initial Tranche B-3 Term Loan, 3.76% 3.80%,<br>10/10/14 | 2,545 | 2,139,662 |
|   |       | 2,560,209 |

| Floating Rate Loan Interests (h)  | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Media 1.5%</b>   |              |              |
| Cengage Learning Acquisitions, Inc. (Thomson<br>Learning), Tranche 1 Incremental Term Loan,<br>7.50%, 7/03/14 | USD 1,463    | \$ 1,469,081 |
| HMH Publishing Co., Ltd., Tranche A Term Loan,<br>6.01%, 6/12/14  | 869          | 825,359      |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13  | 1,375        | 1,461,797    |
|   |              | 3,756,237    |

**Metals & Mining 0.1%**

|  |     |         |
|--|-----|---------|
| Euramax International, Inc., Domestic Term Loan: |     |         |
| 10.00%, 6/29/13                                  | 168 | 161,722 |
| 14.00%, 6/29/13                                  | 161 | 155,246 |
|  |     | 316,968 |

**Multiline Retail 0.6%**

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|  |     |       |            |
|--|-----|-------|------------|
| Hema Holding BV, Mezzanine, 4.41%, 7/05/17                     | EUR | 1,070 | 1,447,188  |
| <b>Oil, Gas &amp; Consumable Fuels 1.2%</b>                    |     |       |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15         | USD | 2,147 | 2,200,304  |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18              |     | 2,245 | 920,278    |
|  |     |       | 3,120,582  |
| <b>Paper &amp; Forest Products 0.4%</b>                        |     |       |            |
| Verso Paper Finance Holdings LLC, 6.55% 7.30%, 2/01/13 (c)     |     | 1,282 | 1,153,977  |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>              |     |       |            |
| iStar Financial, Inc., Term Loan (Second Lien), 1.76%, 6/28/11 |     | 225   | 221,906    |
| <b>Real Estate Management &amp; Development 0.3%</b>           |     |       |            |
| Realogy Corp.:   |     |       |            |
| Extended Synthetic Letter of Credit Loan, 0.11%, 10/10/16      |     | 124   | 119,338    |
| Extended Term Loan B, 4.56%, 10/10/16                          |     | 689   | 660,582    |
|  |     |       | 779,920    |
| <b>Specialty Retail 0.2%</b>                                   |     |       |            |
| Claire's Stores, Inc., Term Loan B, 3.01% 5.00%, 5/29/14       |     | 132   | 128,530    |
| Michaels Stores, Inc., Term Loan B-1, 2.56% 2.63%, 10/31/13    |     | 306   | 305,363    |
|  |     |       | 433,893    |
| <b>Total Floating Rate Loan Interests 8.4%</b>                 |     |       | 21,696,137 |

| Other Interests (k)   | Beneficial Interest (000) |           |
|---|---------------------------|-----------|
| <b>Auto Components 2.4%</b>   |                           |           |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B Membership Interests | (1)                       | 6,337,403 |
| <b>Media 0.0%</b>   |                           |           |
| Adelphia Escrow   | 700                       | 7         |
| Adelphia Recovery Trust   | 878                       | 88        |
|   |                           | 95        |
| <b>Total Other Interests 2.4%</b>   |                           | 6,337,498 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

| Preferred Stocks   | Shares | Value            |
|--|--------|------------------|
| <b>Auto Components 0.1%</b>                              |        |                  |
| Dana Holding Corp., 4.00% (b)(e)                         | 2,000  | \$ 328,250       |
| <b>Automobiles 0.8%</b>                                  |        |                  |
| General Motors Co., 4.75%                                | 42,950 | 2,185,296        |
| <b>Household Durables 0.1%</b>                           |        |                  |
| Beazer Homes USA, Inc., 7.50% (e)                        | 5,000  | 124,750          |
| <b>Media 0.0%</b>  |        |                  |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b)(h) | 34,982 |                  |
| <b>Professional Services 0.1%</b>                        |        |                  |
| Nielsen Holdings NV, 6.25% (a)(e)                        | 4,084  | 225,386          |
| <b>Total Preferred Stocks 1.1%</b>                       |        | <b>2,863,682</b> |

## Warrants (m)

|   |        |            |
|---|--------|------------|
| <b>Health Care Providers &amp; Services 0.0%</b>              |        |            |
| HealthSouth Corp. (Expires 1/16/14)                           | 29,930 | 1          |
| <b>Media 0.0%</b>   |        |            |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (b) | 39,975 |            |
| New Vision Holdings LLC (Expires 9/30/14)                     | 14,965 | 150        |
|   |        | <u>150</u> |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>                   |        |            |
| Turbo Cayman Ltd. (No Expiration)                             | 1      |            |
| <b>Software 0.0%</b>  |        |            |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)    | 312    | 3          |
| HMH Holdings/EduMedia (Expires 3/09/17)                       | 9,997  |            |
|   |        | <u>3</u>   |
| <b>Total Warrants 0.0%</b>                                    |        | <b>154</b> |



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|                                    |             |
|------------------------------------|-------------|
| <b>Total Long-Term Investments</b> | 312,440,582 |
| (Cost \$298,164,834) 121.1%        |             |

**Short-Term Securities**

|   |           |           |
|---|-----------|-----------|
| BlackRock Liquidity Funds, TempCash,<br>Institutional Class, 0.18% (n)(o) | 1,721,866 | 1,721,866 |
|---|-----------|-----------|

|                                    |  |           |
|------------------------------------|--|-----------|
| <b>Total Short-Term Securities</b> |  | 1,721,866 |
| (Cost \$1,721,866) 0.7%            |  |           |

**Options Purchased**

**Contracts**

**Over-the-Counter Call Options 0.0%**

Marsico Parent Superholdco LLC, Strike  
Price USD 942.86, Expires 12/01/19,  
Broker Goldman Sachs Bank USA

17

**Total Options Purchased**

(Cost \$16,622) 0.0%

|   |              |
|---|--------------|
| <b>Total Investments (Cost \$299,903,322*) 121.8%</b> | 314,162,448  |
| <b>Liabilities in Excess of Other Assets (21.8)%</b>  | (56,253,222) |

|                          |                       |
|--------------------------|-----------------------|
| <b>Net Assets 100.0%</b> | <b>\$ 257,909,226</b> |
|--------------------------|-----------------------|

\* The cost and unrealized appreciation (depreciation) of investments as of February 28, 2011, as computed for federal income tax purposes were as follows:

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 300,995,917 |
| Gross unrealized appreciation | \$ 24,446,935  |
| Gross unrealized depreciation | (11,280,404)   |
| Net unrealized appreciation   | \$ 13,166,531  |

(a) Non-income producing security.

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933.

These securities may be resold in transactions exempt from registration to qualified institutional investors.

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

(d)

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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.

- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------------|------------|--|
| Bank of America             | \$ 122,100 | \$ 2,100                                     |
| Credit Suisse International | \$ 237,600 | \$ 6,134                                     |
| Credit Suisse International | \$ 296,106 | \$ 1,106                                     |
| Sterne Agee                 | \$ 50,875  | \$ (125)                                     |

- (h) Variable rate security. Rate shown is as of report date.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (l) Amount is less than \$1,000.
- (m) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (n) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>February 28,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--|--|-----------------|--|----------|
| BlackRock Liquidity<br>Funds, TempCash,<br>Institutional Class | 4,931,674                              | (3,209,808)     | 1,721,866                              | \$ 4,563 |

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

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

Foreign currency exchange contracts as of February 28, 2011 were as follows:

| Currency Purchased |            | Currency Sold |           | Counterparty           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|-----------|------------------------|-----------------|--|
| USD                | 191,626    | CAD           | 190,000   | Citibank NA            | 4/14/11         | \$ (3,745)                             |
| USD                | 715,231    | GBP           | 454,000   | Citibank NA            | 4/14/11         | (22,506)                               |
| USD                | 776,207    | GBP           | 483,000   | Deutsche Bank AG       | 4/14/11         | (8,655)                                |
| USD                | 87,672     | GBP           | 54,500    | Citibank NA            | 4/14/11         | 889                                    |
| USD                | 238,419    | GBP           | 148,500   | UBS AG                 | 4/14/11         | (2,889)                                |
| USD                | 13,138,284 | EUR           | 9,600,500 | Citibank NA            | 4/27/11         | (100,425)                              |
| USD                | 411,903    | EUR           | 305,000   | Deutsche Bank AG       | 4/27/11         | (8,680)                                |
| USD                | 1,362,593  | EUR           | 995,000   | Royal Bank of Scotland | 4/27/11         | (9,473)                                |
| <b>Total</b>       |            |               |           |                        |                 | \$ (155,484)                           |

Financial futures contracts sold as of February 28, 2011 were as follows:

| Contracts | Issue               | Exchange           | Expiration | Notional Value | Unrealized Depreciation |
|-----------|---------------------|--------------------|------------|----------------|-------------------------|
| 93        | S&P 500 Index Emini | Chicago Mercantile | March 2011 | \$ 5,914,686   | \$ (251,679)            |

Credit default swaps on single-name issues buy protection outstanding as of February 28, 2011 were as follows:

| Issuer                | Pay Fixed Rate | Counterparty                          | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|-----------------------|----------------|---------------------------------------|-----------------|-----------------------|-------------------------|
| iStar Financial, Inc. | 5.00%          | Morgan Stanley Capital Services, Inc. | 9/20/11         | \$ 1,500              | \$ (112,324)            |
|                       | 5.00%          |                                       | 12/20/11        | \$ 475                | (21,660)                |

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|                                  |       |                             |          |    |       |           |
|----------------------------------|-------|-----------------------------|----------|----|-------|-----------|
| K. Hovnanian Enterprises, Inc.   |       | Goldman Sachs International |          |    |       |           |
| K. Hovnanian Enterprises, Inc.   | 5.00% | Goldman Sachs Bank USA      | 12/20/13 | \$ | 925   | (78,682)  |
| Louisiana-Pacific Corp.          | 5.00% | JPMorgan Chase Bank NA      | 3/20/14  | \$ | 500   | (114,192) |
| Harrah's Operating Company, Inc. | 5.00% | Deutsche Bank AG            | 12/20/15 | \$ | 1,200 | (167,414) |
| Republic of Hungary              | 1.00% | Deutsche Bank AG            | 12/20/15 | \$ | 280   | (5,076)   |
| Israel (State of)                | 1.00% | Deutsche Bank AG            | 3/20/16  | \$ | 625   | (2,402)   |
| iStar Financial, Inc.            | 5.00% | Deutsche Bank AG            | 12/20/16 | \$ | 250   | (49,627)  |
| <b>Total</b>                     |       |                             |          |    | \$    | (551,377) |

Credit default swaps on single-name issues sold protection outstanding as of February 28, 2011 were as follows:

| Issuer                                      | Receive Fixed Rate | Counterparty                          | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|---|--------------------|---------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| iStar Financial, Inc.                       | 5.00%              | Deutsche Bank AG                      | 9/20/11         | CCC                               | \$ 250                             | \$ 26,749                              |
| MBIA Insurance Corp.                        | 5.00%              | Citibank NA                           | 3/20/12         | B                                 | \$ 55                              | 5,218                                  |
| MBIA Insurance Corp.                        | 5.00%              | Deutsche Bank AG                      | 3/20/12         | B                                 | \$ 110                             | 9,861                                  |
| Texas Competitive Electric Holdings Co. LLC | 5.00%              | Goldman Sachs International           | 9/20/12         | D                                 | \$ 475                             | (47,954)                               |
| MBIA Insurance Corp.                        | 5.00%              | Deutsche Bank AG                      | 12/20/12        | B                                 | \$ 595                             | 62,089                                 |
| Advanced Micro Devices, Inc.                | 5.00%              | JPMorgan Chase Bank NA                | 3/20/15         | B+                                | \$ 550                             | 66,903                                 |
| Realogy Corp.                               | 5.00%              | JPMorgan Chase Bank NA                | 9/20/15         | CC                                | \$ 125                             | 19,128                                 |
| Assured Guaranty Ltd.                       | 5.00%              | Deutsche Bank AG                      | 12/20/15        | A+                                | \$ 60                              | 469                                    |
| D.R. Horton, Inc.                           | 1.00%              | JPMorgan Chase Bank NA                | 12/20/15        | BB                                | \$ 275                             | 8,461                                  |
| M.D.C. Holdings, Inc.                       | 1.00%              | Deutsche Bank AG                      | 12/20/15        | BBB                               | \$ 315                             | 3,022                                  |
| M.D.C. Holdings, Inc.                       | 1.00%              | JPMorgan Chase Bank NA                | 12/20/15        | BBB                               | \$ 315                             | 1,707                                  |
| M.D.C. Holdings, Inc.                       | 1.00%              | Morgan Stanley Capital Services, Inc. | 12/20/15        | BBB                               | \$ 500                             | 2,282                                  |
| Realogy Corp.                               | 5.00%              | JPMorgan Chase Bank NA                | 12/20/15        | CC                                | \$ 700                             | 39,469                                 |
| ARAMARK Corp.                               | 5.00%              | Goldman Sachs International           | 3/20/16         | B                                 | \$ 500                             | (906)                                  |
| Chesapeake Energy Corp.                     | 5.00%              | Credit Suisse International           | 3/20/16         | BB                                | \$ 250                             | 4,687                                  |
| Chesapeake Energy Corp.                     | 5.00%              | Goldman Sachs International           | 3/20/16         | BB                                | \$ 250                             | 2,781                                  |
| Chesapeake Energy Corp.                     | 5.00%              | JPMorgan Chase Bank NA                | 3/20/16         | BB                                | \$ 250                             | 4,687                                  |
| Realogy Corp.                               | 5.00%              | JPMorgan Chase Bank NA                | 3/20/16         | CC                                | \$ 125                             | 525                                    |
| General Motors Co.                          | 5.00%              | Deutsche Bank AG                      | 3/20/21         | BB                                | \$ 400                             | (1,002)                                |
| <b>Total</b>                                |                    |                                       |                 |                                   | \$                                 | 208,176                                |

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

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

Credit default swaps on traded indexes sold protection outstanding as of February 28, 2011 were as follows:

| Index  | Receive<br>Fixed<br>Rate | Counterparty                   | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Depreciation |
|--|--------------------------|--------------------------------|--------------------|-------------------------------|--|----------------------------|
| Dow Jones CDX North<br>America High Yield<br>Index Series 10, 10 15% | 0.00%                    | Deutsche<br>Bank AG            | 6/20/11            | CCC                           | \$ 664                                   | \$ (5,119)                 |
| Dow Jones CDX North<br>America High Yield<br>Index Series 9, 10 15%  | 0.00%                    | Deutsche<br>Bank AG            | 12/20/12           | CCC                           | \$ 479                                   | (18,542)                   |
| Dow Jones CDX North<br>America High Yield<br>Index Series 15         | 5.00%                    | Credit Suisse<br>International | 12/20/15           | B                             | \$ 1,825                                 | (5,830)                    |
| <b>Total</b>   |                          |                                |                    |                               |  | <b>\$ (29,491)</b>         |

<sup>1</sup> Using S&P's rating.

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

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes as follows:

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

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

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

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

The following tables summarize the inputs used as of February 28, 2011 in determining the fair valuation of the Fund's investments and derivatives:

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| Valuation Inputs             | Level 1       | Level 2        | Level 3       | Total          |
|------------------------------|---------------|----------------|---------------|----------------|
| <b>Assets:</b>               |               |                |               |                |
| Investments in Securities:   |               |                |               |                |
| Long-Term Investments:       |               |                |               |                |
| Common Stocks                | \$ 14,114,299 | \$ 139,367     | \$ 412,146    | \$ 14,665,812  |
| Corporate Bonds              |               | 261,794,251    | 5,083,048     | 266,877,299    |
| Floating Rate Loan Interests |               | 14,817,901     | 6,878,236     | 21,696,137     |
| Other Interest               | 88            | 6,337,403      | 7             | 6,337,498      |
| Preferred Stocks             | 2,310,046     | 553,636        |               | 2,863,682      |
| Warrants                     |               |                | 154           | 154            |
| Short-Term Securities        | 1,721,866     |                |               | 1,721,866      |
| <b>Liabilities:</b>          |               |                |               |                |
| Unfunded Loan Commitments    |               |                | (11,592)      | (11,592)       |
| <b>Total</b>                 | \$ 18,146,299 | \$ 283,642,558 | \$ 12,361,999 | \$ 314,150,856 |

| Derivative Financial Instruments <sup>1</sup> |              |              |         |              |
|---|--------------|--------------|---------|--------------|
| Valuation Inputs                              | Level 1      | Level 2      | Level 3 | Total        |
| <b>Assets:</b>                                |              |              |         |              |
| Credit contracts                              |              | \$ 258,038   |         | \$ 258,038   |
| Foreign currency exchange contracts           |              | 889          |         | 889          |
| <b>Liabilities:</b>                           |              |              |         |              |
| Credit contract                               |              | (630,730)    |         | (630,730)    |
| Equity contracts                              | \$ (251,679) |              |         | (251,679)    |
| Foreign currency exchange contracts           |              | (156,373)    |         | (156,373)    |
| <b>Total</b>                                  | \$ (251,679) | \$ (528,176) |         | \$ (779,855) |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

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

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

|  | Common<br>Stocks  | Corporate<br>Bonds  | Floating Rate<br>Loan Interests | Other<br>Interests | Warrants      | Unfunded<br>Loan<br>Commitments<br>(Liabilities) | Total                |
|--|-------------------|---------------------|---------------------------------|--------------------|---------------|--|----------------------|
| <b>Assets/Liabilities:</b>   |                   |                     |                                 |                    |               |  |                      |
| Balance, as of February 28, 2010                                   | \$ 75,096         | \$ 3,961,360        | \$ 19,218,811                   | \$ 4,212,670       | \$ 150        | \$ (51,643)                                      | \$ 27,416,444        |
| Accrued discounts/premiums   |                   | 27,601              | 259,504                         |                    |               |  | 287,105              |
| Net realized gain (loss)   |                   | 3,474               | 304,406                         | 1,359,868          |               |  | 1,667,748            |
| Net change in unrealized<br>appreciation/depreciation <sup>2</sup> | (759,245)         | (774,415)           | 401,353                         | 1,659,864          |               | 40,051   | 567,608              |
| Purchases  | 1,186,185         | 2,332,077           | 3,657,874                       | 1,297,125          | 4             |  | 8,473,265            |
| Sales  |                   | (98,716)            | (12,548,447)                    | (2,191,925)        |               |  | (14,839,088)         |
| Transfers in <sup>3</sup>  |                   | 32                  |                                 |                    |               |  | 32                   |
| Transfers out <sup>3</sup>   | (89,890)          | (368,365)           | (4,415,265)                     | (6,337,595)        |               |  | (11,211,115)         |
| <b>Balance, as of February 28, 2011</b>                            | <b>\$ 412,146</b> | <b>\$ 5,083,048</b> | <b>\$ 6,878,236</b>             | <b>\$ 7</b>        | <b>\$ 154</b> | <b>\$ (11,592)</b>                               | <b>\$ 12,361,999</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$(1,980,476).

<sup>3</sup> The Fund's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.



Schedule of Investments February 28, 2011

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

(Percentages shown are based on Net Assets)

| Common Stocks                                    | Shares | Value      |
|--|--------|------------|
| <b>Capital Markets 0.2%</b>                      |        |            |
| E*Trade Financial Corp. (a)                      | 29,600 | \$ 473,008 |
| <b>Chemicals 0.1%</b>                            |        |            |
| LyondellBasell Industries NV, Class A (a)        | 3,185  | 121,285    |
| Wellman Holdings, Inc. (a)                       | 1,522  | 76         |
|  |        | 121,361    |
| <b>Commercial Banks 0.1%</b>                     |        |            |
| CIT Group, Inc. (a)                              | 6,855  | 296,959    |
| <b>Commercial Services &amp; Supplies 0.1%</b>   |        |            |
| Air Lease Corp. (a)(b)                           | 12,900 | 270,900    |
| <b>Communications Equipment 0.6%</b>             |        |            |
| Loral Space & Communications Ltd. (a)            | 20,518 | 1,552,392  |
| <b>Construction Materials 0.0%</b>               |        |            |
| Nortek, Inc. (a)                                 | 2,145  | 95,452     |
| <b>Diversified Financial Services 0.3%</b>       |        |            |
| Bank of America Corp.                            | 57,000 | 814,530    |
| Citigroup, Inc. (a)                              | 1      | 5          |
|  |        | 814,535    |
| <b>Electrical Equipment 0.0%</b>                 |        |            |
| Medis Technologies Ltd. (a)                      | 70,784 | 1,486      |
| <b>Food Products 0.1%</b>                        |        |            |
| Zhongpin, Inc. (a)                               | 11,724 | 217,949    |
| <b>Health Care Equipment &amp; Supplies 0.1%</b> |        |            |
| Zimmer Holdings, Inc. (a)                        | 5,620  | 350,351    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>    |        |            |
| Buffets Restaurants Holdings, Inc. (a)           | 1,099  | 4,671      |
| <b>Household Durables 0.3%</b>                   |        |            |
| Beazer Homes USA, Inc.                           | 94,500 | 439,425    |
| Pulte Group, Inc. (a)                            | 61,751 | 426,082    |
|  |        | 865,507    |

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|  |               |              |
|--|---------------|--------------|
| <b>Machinery 0.2%</b>                                    |               |              |
| Navistar International Corp. (a)                         | 7,849         | 486,481      |
| <b>Media 1.3%</b>  |               |              |
| Charter Communications, Inc. (a)                         | 53,805        | 2,462,655    |
| Clear Channel Outdoor Holdings, Inc., Class A (a)        | 11,444        | 168,685      |
| Gray Television, Inc. (a)                                | 114,093       | 253,286      |
| Sinclair Broadcast Group, Inc., Class A                  | 50,000        | 647,000      |
|  |               | 3,531,626    |
| <b>Metals &amp; Mining 0.1%</b>                          |               |              |
| African Minerals Ltd. (a)                                | 31,850        | 280,372      |
| <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>              |               |              |
| Alpha Natural Resources, Inc. (a)                        | 12,200        | 661,484      |
| Marathon Oil Corp.                                       | 28,600        | 1,418,560    |
|  |               | 2,080,044    |
| <b>Paper &amp; Forest Products 0.4%</b>                  |               |              |
| Ainsworth Lumber Co. Ltd. (a)                            | 122,117       | 403,474      |
| Ainsworth Lumber Co. Ltd. (a)(b)                         | 140,415       | 463,931      |
| Western Forest Products, Inc. (a)                        | 158,023       | 120,361      |
| Western Forest Products, Inc. (a)(b)                     | 45,762        | 34,856       |
|  |               | 1,022,622    |
| <b>Road &amp; Rail 0.3%</b>                              |               |              |
| Dollar Thrifty Automotive Group, Inc. (a)                | 17,900        | 950,669      |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b> |               |              |
| Spansion, Inc., Class A (a)                              | 45,165        | 951,626      |
| SunPower Corp., Class B (a)                              | 778           | 13,133       |
|  |               | 964,759      |
| <b>Common Stocks</b>                                     | <b>Shares</b> | <b>Value</b> |
| <b>Software 0.2%</b>                                     |               |              |
| Bankruptcy Management Solutions, Inc. (a)                | 501           | \$ 1,754     |
| HMH Holdings/EduMedia (a)                                | 89,670        | 448,350      |
| TiVo, Inc. (a)   | 20,295        | 208,632      |
|  |               | 658,736      |
| <b>Wireless Telecommunication Services 0.7%</b>          |               |              |
| American Tower Corp., Class A (a)                        | 11,542        | 622,806      |
| Crown Castle International Corp. (a)                     | 27,820        | 1,172,613    |
| FiberTower Corp. (a)                                     | 76,542        | 254,120      |
|  |               | 2,049,539    |
| <b>Total Common Stocks 6.1%</b>                          |               | 17,089,419   |

| Corporate Bonds   |     | Par<br>(000) |           |
|---|-----|--------------|-----------|
| <b>Aerospace &amp; Defense 0.3%</b>                           |     |              |           |
| DynCorp International, Inc., 10.38%, 7/01/17 (b)              | USD | 230          | 247,250   |
| Kratos Defense & Security Solutions, Inc., 10.00%,<br>6/01/17 |     | 470          | 529,925   |
|   |     |              | 777,175   |
| <b>Air Freight &amp; Logistics 0.5%</b>                       |     |              |           |
| National Air Cargo Group, Inc.:                               |     |              |           |
| Series 1, 12.38%, 9/02/15                                     |     | 720          | 720,396   |
| Series 2, 12.38%, 10/08/15                                    |     | 727          | 727,317   |
|   |     |              | 1,447,713 |
| <b>Airlines 2.9%</b>  |     |              |           |
| Air Canada, 9.25%, 8/01/15 (b)                                |     | 1,060        | 1,134,200 |
| American Airlines, Inc.:                                      |     |              |           |
| 10.50%, 10/15/12  |     | 940          | 1,031,650 |
| Series 2001-2, 7.86%, 4/01/13                                 |     | 400          | 413,000   |
| Continental Airlines, Inc.:                                   |     |              |           |
| 6.75%, 9/15/15 (b)  |     | 630          | 647,325   |
| Series 1997-4-B, 6.90%, 7/02/18 (c)                           |     | 396          | 402,010   |
| Series 2001-1-C, 7.03%, 12/15/12                              |     | 199          | 199,692   |
| Series 2010-1-B, 6.00%, 7/12/20                               |     | 500          | 498,750   |
| Delta Air Lines, Inc.:  |     |              |           |
| Series 2010-1-B, 6.38%, 7/02/17                               |     | 500          | 497,500   |
| Series B, 9.75%, 12/17/16                                     |     | 992          | 1,071,332 |
| United Air Lines, Inc., 12.75%, 7/15/12                       |     | 2,062        | 2,304,696 |
|   |     |              | 8,200,155 |
| <b>Auto Components 1.5%</b>                                   |     |              |           |
| Allison Transmission, Inc. (b):                               |     |              |           |
| 11.00%, 11/01/15  |     | 230          | 250,125   |
| 11.25%, 11/01/15 (d)  |     | 177          | 192,930   |
| Delphi International Holdings, Unsecured, 12.00%,<br>10/06/14 |     | 91           | 100,214   |
| Exide Technologies, 8.63%, 2/01/18 (b)                        |     | 370          | 394,513   |
| Icahn Enterprises LP:   |     |              |           |
| 4.00%, 8/15/13 (b)(e)(f)                                      |     | 255          | 252,450   |
| 8.00%, 1/15/18  |     | 3,035        | 3,141,225 |
|   |     |              | 4,331,457 |
| <b>Beverages 0.2%</b>   |     |              |           |
| Cott Beverages, Inc., 8.13%, 9/01/18                          |     | 264          | 284,130   |
| Crown European Holdings SA, 7.13%, 8/15/18 (b)                | EUR | 245          | 360,065   |
|   |     |              | 644,195   |

**Biotechnology 0.2%**

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|                                 |     |     |         |
|---------------------------------|-----|-----|---------|
| QHP Pharma, 10.25%, 3/15/15 (b) | USD | 483 | 487,268 |
|---------------------------------|-----|-----|---------|

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See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

| Corporate Bonds                               |     | Par<br>(000) | Value            |
|---|-----|--------------|------------------|
| <b>Building Products 1.2%</b>                 |     |              |                  |
| Associated Materials LLC, 9.13%, 11/01/17 (b) | USD | 490          | \$ 529,812       |
| Building Materials Corp. of America (b):      |     |              |                  |
| 6.88%, 8/15/18                                |     | 530          | 543,250          |
| 7.00%, 2/15/20                                |     | 620          | 653,325          |
| Momentive Performance Materials, Inc.:        |     |              |                  |
| 11.50%, 12/01/16                              |     | 170          | 184,450          |
| 9.00%, 1/15/21 (b)                            |     | 1,280        | 1,361,600        |
|   |     |              | <u>3,272,437</u> |
| <b>Capital Markets 0.6%</b>                   |     |              |                  |
| American Capital Ltd., 7.96%, 12/31/13 (g)    |     | 510          | 522,276          |
| E*Trade Financial Corp. (e)(h):               |     |              |                  |
| 3.39%, 8/31/19 (b)                            |     | 244          | 376,980          |
| Series A, 3.64%, 8/31/19                      |     | 7            | 10,815           |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)     |     | 650          | 669,712          |
|   |     |              | <u>1,579,783</u> |
| <b>Chemicals 3.4%</b>                         |     |              |                  |
| American Pacific Corp., 9.00%, 2/01/15        |     | 880          | 864,600          |
| Chemtura Corp., 7.88%, 9/01/18 (b)            |     | 530          | 565,775          |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)        |     | 165          | 183,563          |
| Hexion U.S. Finance Corp.:                    |     |              |                  |
| 8.88%, 2/01/18                                |     | 765          | 821,419          |
| 9.00%, 11/15/20 (b)                           |     | 370          | 393,587          |
| Huntsman International LLC (b):               |     |              |                  |
| 6.88%, 11/15/13                               | EUR | 280          | 395,082          |
| 8.63%, 3/15/21                                | USD | 500          | 555,000          |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)         |     | 420          | 460,950          |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)       |     | 125          | 127,500          |
| MacDermid, Inc., 9.50%, 4/15/17 (b)           |     | 1,260        | 1,341,900        |
| Nalco Co., 6.63%, 1/15/19 (b)                 |     | 335          | 346,306          |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(i)    |     | 185          | 188,237          |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)       |     | 680          | 746,300          |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b)   |     | 150          | 153,938          |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)       |     | 144          | 149,940          |
| PolyOne Corp., 7.38%, 9/15/20                 |     | 215          | 227,900          |
| Rhodia SA, 6.88%, 9/15/20 (b)                 |     | 765          | 783,169          |
| TPC Group LLC, 8.25%, 10/01/17 (b)            |     | 335          | 356,356          |
| Wellman Holdings, Inc., Subordinate Note (e): |     |              |                  |
| (Second Lien), 10.00%, 1/29/19                |     | 844          | 734,280          |
| (Third Lien), 5.00%, 1/29/19 (d)              |     | 283          | 110,427          |
|   |     |              | <u>9,506,229</u> |

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**Commercial Banks 2.8%**

|                  |       |           |
|------------------|-------|-----------|
| CIT Group, Inc.: |       |           |
| 7.00%, 5/01/16   | 3,336 | 3,365,680 |
| 7.00%, 5/01/17   | 4,490 | 4,523,756 |
|                  |       | 7,889,436 |

**Commercial Services & Supplies 1.7%**

|  |     |           |
|--|-----|-----------|
| ACCO Brands Corp., 10.63%, 3/15/15                 | 755 | 853,150   |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)    | 226 | 232,215   |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | 525 | 564,375   |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (b)    | 370 | 379,250   |
| International Lease Finance Corp., 8.25%, 12/15/20 | 331 | 368,237   |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)             | 230 | 244,950   |
| RSC Equipment Rental, Inc. (b):                    |     |           |
| 10.00%, 7/15/17                                    | 585 | 672,750   |
| 8.25%, 2/01/21                                     | 590 | 623,925   |
| West Corp. (b):                                    |     |           |
| 8.63%, 10/01/18                                    | 755 | 800,300   |
| 7.88%, 1/15/19                                     | 195 | 200,119   |
|  |     | 4,939,271 |

**Communications Equipment 0.1%**

|                                |     |         |
|--------------------------------|-----|---------|
| Avaya Inc., 7.00%, 4/01/19 (b) | 430 | 425,700 |
|--------------------------------|-----|---------|

| Corporate Bonds                          |     | Par<br>(000) |    | Value     |
|--|-----|--------------|----|-----------|
| <b>Computers &amp; Peripherals 0.3%</b>  |     |              |    |           |
| EMC Corp., 1.75%, 12/01/13 (e)           | USD | 490          | \$ | 856,275   |
| <b>Construction Materials 1.4%</b>       |     |              |    |           |
| Nortek, Inc.:                            |     |              |    |           |
| 11.00%, 12/01/13                         |     | 2,395        |    | 2,550,178 |
| 10.00%, 12/01/18 (b)                     |     | 1,190        |    | 1,270,325 |
|  |     |              |    | 3,820,503 |
| <b>Consumer Finance 0.7%</b>             |     |              |    |           |
| Credit Acceptance Corp., 9.13%, 2/01/17  |     | 680          |    | 732,700   |
| Ford Motor Credit Co. LLC:               |     |              |    |           |
| 3.05%, 1/13/12 (f)                       |     | 215          |    | 217,191   |
| 7.80%, 6/01/12                           |     | 200          |    | 213,289   |
| 6.63%, 8/15/17                           |     | 840          |    | 893,405   |
|  |     |              |    | 2,056,585 |
| <b>Containers &amp; Packaging 2.2%</b>   |     |              |    |           |
| Ardagh Packaging Finance Plc, 7.38%,     |     |              |    |           |
| 10/15/17 (b)                             | EUR | 475          |    | 676,783   |
| Ball Corp., 6.75%, 9/15/20               | USD | 525          |    | 549,937   |
| Berry Plastics Corp.:                    |     |              |    |           |
| 8.25%, 11/15/15                          |     | 135          |    | 144,619   |
| 9.75%, 1/15/21 (b)                       |     | 925          |    | 927,312   |
| Graham Packaging Co. LP, 8.25%, 10/01/18 |     | 250          |    | 269,375   |

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|  |     |       |            |
|--|-----|-------|------------|
| Graphic Packaging International, Inc.:                 |     |       |            |
| 9.50%, 6/15/17   |     | 840   | 932,400    |
| 7.88%, 10/01/18  |     | 400   | 430,000    |
| OI European Group BV, 6.88%, 3/31/17                   | EUR | 155   | 222,717    |
| Pregis Corp., 12.38%, 10/15/13                         | USD | 565   | 569,237    |
| Smurfit Kappa Acquisitions (b):                        |     |       |            |
| 7.25%, 11/15/17  | EUR | 495   | 724,064    |
| 7.75%, 11/15/19  |     | 470   | 693,981    |
|  |     |       | 6,140,425  |
| <b>Diversified Consumer Services 1.1%</b>              |     |       |            |
| Service Corp. International, 7.00%, 6/15/17            | USD | 3,000 | 3,195,000  |
| <b>Diversified Financial Services 6.1%</b>             |     |       |            |
| Ally Financial, Inc.:                                  |     |       |            |
| 7.50%, 12/31/13  |     | 280   | 305,200    |
| 2.51%, 12/01/14 (f)                                    |     | 394   | 387,166    |
| 8.30%, 2/12/15   |     | 1,090 | 1,230,337  |
| 6.25%, 12/01/17 (b)                                    |     | 980   | 1,022,875  |
| 8.00%, 3/15/20   |     | 1,900 | 2,139,875  |
| 7.50%, 9/15/20 (b)                                     |     | 1,220 | 1,334,375  |
| 8.00%, 11/01/31  |     | 880   | 1,007,946  |
| 8.00%, 11/01/31  |     | 1,000 | 1,145,000  |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  |     | 450   | 496,125    |
| FCE Bank Plc, 7.13%, 1/15/13                           | EUR | 1,050 | 1,526,837  |
| Leucadia National Corp., 8.13%, 9/15/15                | USD | 1,175 | 1,292,500  |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) |     | 1,300 | 1,384,500  |
| Reynolds Group Issuer, Inc. (b):                       |     |       |            |
| 7.75%, 10/15/16  | EUR | 400   | 585,102    |
| 7.13%, 4/15/19   | USD | 580   | 594,500    |
| 9.00%, 4/15/19   |     | 1,720 | 1,793,100  |
| 6.88%, 2/15/21   |     | 395   | 395,988    |
| 8.25%, 2/15/21   |     | 490   | 491,225    |
|  |     |       | 17,132,651 |

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<br>(000) | Value        |
|--|--------------|--------------|
| <b>Diversified Telecommunication Services 4.1%</b>             |              |              |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12          | USD 1,035    | \$ 1,031,119 |
| Frontier Communications Corp.:                                 |              |              |
| 8.25%, 4/15/17 (b)   | 393          | 434,265      |
| 8.50%, 4/15/20   | 350          | 388,500      |
| GCI, Inc., 8.63%, 11/15/19                                     | 1,200        | 1,320,000    |
| ITC Deltacom, Inc., 10.50%, 4/01/16                            | 350          | 384,125      |
| Level 3 Communications, Inc., 6.50%, 10/01/16 (e)              | 280          | 399,700      |
| Level 3 Financing, Inc.:                                       |              |              |
| 5.50%, 11/01/14  | 130          | 134,225      |
| 8.75%, 2/15/17   | 1,480        | 1,454,100    |
| Qwest Communications International, Inc.:                      |              |              |
| 7.50%, 2/15/14   | 2,020        | 2,050,300    |
| 8.00%, 10/01/15  | 600          | 654,750      |
| Series B, 7.50%, 2/15/14                                       | 1,450        | 1,471,750    |
| Qwest Corp., 7.63%, 6/15/15                                    | 525          | 602,438      |
| Windstream Corp.:  |              |              |
| 8.13%, 8/01/13   | 460          | 506,575      |
| 7.88%, 11/01/17  | 630          | 684,337      |
|  |              | 11,516,184   |
| <b>Electronic Equipment, Instruments &amp; Components 0.7%</b> |              |              |
| CDW LLC:   |              |              |
| 11.00%, 10/12/15   | 120          | 130,500      |
| 11.50%, 10/12/15 (d)   | 660          | 716,100      |
| 8.00%, 12/15/18 (b)  | 570          | 612,750      |
| NXP BV, 3.05%, 10/15/13 (f)                                    | 520          | 517,400      |
|  |              | 1,976,750    |
| <b>Energy Equipment &amp; Services 1.4%</b>                    |              |              |
| Bayou Well Services, 0.16%, 12/22/13                           | 625          | 625,000      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                       | 245          | 251,125      |
| Compagnie Générale de Géophysique-Veritas:                     |              |              |
| 7.50%, 5/15/15   | 985          | 1,019,475    |
| 7.75%, 5/15/17   | 250          | 264,375      |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)                   | 445          | 456,125      |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)                    | 620          | 641,700      |
| Precision Drilling Corp., 6.63%, 11/15/20 (b)                  | 115          | 118,738      |
| Thermon Industries, Inc., 9.50%, 5/01/17                       | 555          | 600,787      |
|  |              | 3,977,325    |
| <b>Food &amp; Staples Retailing 0.7%</b>                       |              |              |



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|   |     |           |
|---|-----|-----------|
| AmeriQual Group LLC, 9.50%, 4/01/12 (b) | 560 | 554,400   |
| BI-LO LLC, 9.25%, 2/15/19 (b)           | 335 | 348,400   |
| Rite Aid Corp.:                         |     |           |
| 9.75%, 6/12/16                          | 410 | 461,763   |
| 7.50%, 3/01/17                          | 670 | 674,187   |
|   |     | 2,038,750 |

**Food Products 0.7%**

|  |       |           |
|--|-------|-----------|
| B&G Foods, Inc., 7.63%, 1/15/18                  | 220   | 234,850   |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (b)        | 1,060 | 1,070,600 |
| Darling International, Inc., 8.50%, 12/15/18 (b) | 240   | 258,900   |
| Reddy Ice Corp., 11.25%, 3/15/15                 | 440   | 462,000   |
| Smithfield Foods, Inc., 10.00%, 7/15/14          | 70    | 82,600    |
|  |       | 2,108,950 |

**Health Care Equipment & Supplies 1.4%**

|                                       |       |           |
|---------------------------------------|-------|-----------|
| DJO Finance LLC, 10.88%, 11/15/14     | 2,455 | 2,691,294 |
| Hologic, Inc., 2.00%, 12/15/37 (e)(g) | 1,375 | 1,325,156 |
|                                       |       | 4,016,450 |

| Corporate Bonds                                   |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Health Care Providers &amp; Services 5.6%</b>  |     |              |    |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | USD | 280          | \$ | 291,900   |
| ConvaTec Healthcare E SA (b):                     |     |              |    |           |
| 7.38%, 12/15/17                                   | EUR | 600          |    | 861,093   |
| 10.50%, 12/15/18                                  | USD | 470          |    | 501,725   |
| DaVita, Inc., 6.38%, 11/01/18                     |     | 400          |    | 405,500   |
| Gentiva Health Services Inc., 11.50%, 9/01/18     |     | 710          |    | 799,638   |
| HCA, Inc.:  |     |              |    |           |
| 9.13%, 11/15/14                                   |     | 1,785        |    | 1,872,019 |
| 8.50%, 4/15/19                                    |     | 1,020        |    | 1,142,400 |
| 7.25%, 9/15/20                                    |     | 2,315        |    | 2,497,306 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        |     | 650          |    | 667,875   |
| Omnicare, Inc.:                                   |     |              |    |           |
| 6.13%, 6/01/13                                    |     | 178          |    | 178,668   |
| 6.88%, 12/15/15                                   |     | 460          |    | 474,950   |
| 7.75%, 6/01/20                                    |     | 625          |    | 667,188   |
| Priory Group Ltd., 7.00%, 2/15/18                 | GBP | 137          |    | 228,281   |
| Tenet Healthcare Corp.:                           |     |              |    |           |
| 9.00%, 5/01/15                                    | USD |              |    |           |