

BLACKROCK SENIOR HIGH INCOME FUND, INC.

Form N-CSRS

November 05, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-07456

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: 02/28/2013

Date of reporting period: 08/31/2012

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Item 1 Report to Stockholders

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August 31, 2012

## Semi-Annual Report (Unaudited)

BlackRock Corporate High Yield Fund, Inc. (COY)

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

BlackRock Debt Strategies Fund, Inc. (DSU)

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

BlackRock Senior High Income Fund, Inc. (ARK)

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

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### Dear Shareholder

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

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

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

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

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

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

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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

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Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of August 31, 2012**

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

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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**Fund Summary** as of August 31, 2012

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

**Investment Objective**

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

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

**Portfolio Management Commentary**

**How did the Fund perform?**

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

**What factors influenced performance?**

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

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

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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

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



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

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

<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:

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

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

**Portfolio Composition**

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

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

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

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

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**Fund Summary** as of August 31, 2012

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

**Investment Objective**

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

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

**Portfolio Management Commentary**

**How did the Fund perform?**

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

**What factors influenced performance?**

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

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

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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

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

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

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

<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:

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

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

**Portfolio Composition**

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

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

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

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

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**Fund Summary** as of August 31, 2012

**BlackRock Debt Strategies Fund, Inc.**

**Investment Objective**

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

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

**Portfolio Management Commentary**

**How did the Fund perform?**

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

**What factors influenced performance?**

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

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

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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

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 Debt Strategies Fund, Inc.

**Fund Information**

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

<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:

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

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

**Portfolio Composition**

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

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

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

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Not Rated

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

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**Fund Summary** as of August 31, 2012

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

**Investment Objective**

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

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

**Portfolio Management Commentary**

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

**How did the Fund perform?**

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

**What factors influenced performance?**

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

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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

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

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

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

<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:

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

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

**Portfolio Composition**

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

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

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

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

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**Fund Summary** as of August 31, 2012

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

**Investment Objective**

BlackRock Senior High Income Fund, Inc.'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.

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended August 31, 2012, the Fund returned 13.11% based on market price and 5.41% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 8.15% based on market price and 5.80% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

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

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

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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

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 Senior High Income Fund, Inc.

**Fund Information**

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

<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:

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

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

**Portfolio Composition**

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

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

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

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

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**Table of Contents****The Benefits and Risks of Leveraging**

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

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

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

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

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

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

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

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

	<b>Percent of Economic Leverage</b>
COY	27%
CYE	29%

DSU	30%
FRB	30%
ARK	27%

## Derivative Financial Instruments

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

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

**Table of Contents****Consolidated Schedule of Investments**

August 31, 2012 (Unaudited)

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

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

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377,550

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

	Par	
	(000)	
<b>Corporate Bonds</b>		
<b>Aerospace &amp; Defense 0.7%</b>		
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	USD 210	224,700
7.13%, 3/15/21	295	319,338
Kratos Defense & Security Solutions, Inc.,		
10.00%, 6/01/17	796	847,740
Meccanica Holdings USA, Inc.,		
6.25%, 7/15/19 (b)	405	366,463
		1,758,241
<b>Air Freight &amp; Logistics 0.4%</b>		
National Air Cargo Group, Inc.:		
Series 1 12.38%, 9/02/15	548	558,607
Series 2 12.38%, 8/16/15	555	565,094
		1,123,701
<b>Airlines 1.5%</b>		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23		
	1,007	1,067,798
Continental Airlines, Inc.:		
Series 1997-4, Class B 6.90%, 7/02/18	268	267,785
Series 2010-1, Class B 6.00%, 7/12/20	355	357,812
Delta Air Lines, Inc.:		
Series 2002-1, Class G-1 6.72%, 7/02/24	555	601,640
Series 2009-1 Series B 9.75%, 6/17/18	173	187,232
Series 2010-1, Class B 6.38%, 7/02/17	447	447,000
US Airways Pass Through Trust:		
Series 2011-1, Class C 10.88%, 10/22/14	620	635,357
Series 2012-1, Class C 9.13%, 10/01/15	420	428,400
		3,993,024
<b>Auto Components 2.1%</b>		
Dana Holding Corp., 6.75%, 2/15/21		
	410	441,775
Delphi Corp., 6.13%, 5/15/21		
	150	165,000
Icahn Enterprises LP, 8.00%, 1/15/18		
	2,995	3,189,675
IDQ Holdings, Inc., 11.50%, 4/01/17 (b)		
	355	371,419
International Automotive Components Group SL, 9.13%, 6/01/18 (b)		
	40	38,350
Jaguar Land Rover Plc, 8.25%, 3/15/20		
	GBP 439	735,238
Titan International, Inc., 7.88%, 10/01/17		
	USD 430	450,425
		5,391,882

Portfolio Abbreviations

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

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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



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

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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

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

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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

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

See Notes to Consolidated Financial Statements.



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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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6.88%, 2/01/18	USD	325	309,563
6.88%, 4/01/22		165	151,800
Global Brass and Copper, Inc., 9.50%, 6/01/19 (b)		275	289,438
Goldcorp, Inc., 2.00%, 8/01/14 (e)		970	1,117,925
Kaiser Aluminum Corp., 8.25%, 6/01/20 (b)		205	217,300
New Gold, Inc., 7.00%, 4/15/20 (b)		140	147,350
New World Resources NV, 7.88%, 5/01/18	EUR	627	784,697

Par

**Corporate Bonds** (000) Value

**Metals & Mining (concluded)**

Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e)	USD	1,345	\$ 1,709,831
Novelis, Inc., 8.75%, 12/15/20		3,045	3,402,787
Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19	EUR	295	299,624
Steel Dynamics, Inc., 6.38%, 8/15/22 (b)	USD	225	232,875
Taseko Mines Ltd., 7.75%, 4/15/19		385	366,713
Vedanta Resources Plc, 8.25%, 6/07/21 (b)		245	233,975

9,816,492

**Multiline Retail 0.3%**

Dollar General Corp., 4.13%, 7/15/17		727	756,080
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**Oil, Gas & Consumable Fuels 10.9%**

Access Midstream Partners LP, 6.13%, 7/15/22		250	259,375
Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e)		746	669,535
Alpha Natural Resources, Inc.:			
6.00%, 6/01/19		290	261,000
6.25%, 6/01/21		240	214,800
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b)		610	637,450
Berry Petroleum Co., 6.38%, 9/15/22		375	399,375
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (b)		235	239,700
CCS, Inc., 11.00%, 11/15/15 (b)		520	538,200
Chaparral Energy, Inc., 7.63%, 11/15/22 (b)		205	216,788
Chesapeake Energy Corp.:			
7.25%, 12/15/18		15	15,713
6.63%, 8/15/20		165	169,538
6.88%, 11/15/20		160	166,000
6.13%, 2/15/21		545	540,912
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)		103	109,695
Concho Resources, Inc.:			
7.00%, 1/15/21		150	167,250
6.50%, 1/15/22		100	108,000
5.50%, 10/01/22		430	443,975
Consol Energy, Inc., 8.25%, 4/01/20		1,625	1,750,937
Continental Resources, Inc., 7.13%, 4/01/21		340	380,800
Copano Energy LLC, 7.13%, 4/01/21		275	287,375
Crosstex Energy LP:			
8.88%, 2/15/18		165	176,138
7.13%, 6/01/22 (b)		140	139,300
Crown Oil Partners IV LP, 15.00%, 3/07/15		545	545,482
Denbury Resources, Inc., 8.25%, 2/15/20		42	47,670
Energy XXI Gulf Coast, Inc.:			
9.25%, 12/15/17		510	568,650
7.75%, 6/15/19		815	865,937
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (b)		315	337,837
EP Energy LLC/Everest Acquisition Finance, Inc., 7.75%, 9/01/22 (b)		195	195,488
EV Energy Partners LP, 8.00%, 4/15/19		140	144,550
Hilcorp Energy I LP, 7.63%, 4/15/21 (b)		690	759,000
Holly Energy Partners LP, 6.50%, 3/01/20 (b)		145	151,525
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)		320	340,000
Linn Energy LLC:			
6.50%, 5/15/19 (b)		90	89,550
6.25%, 11/01/19 (b)		1,865	1,841,687
8.63%, 4/15/20		205	221,400
7.75%, 2/01/21		185	192,863
MarkWest Energy Partners LP:			
6.25%, 6/15/22		75	79,688

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

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BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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



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### OSI Restaurant Partners LLC:

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

(Percentages shown are based on Net Assets)

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

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

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## Insurance 0.2%

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

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

(a) Non-income producing security.

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

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

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

(e) Convertible security.

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

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

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

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

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

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

(k) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

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

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

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

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

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

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Corporate High Yield Fund, Inc. (COY)

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

See Notes to Consolidated Financial Statements.

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

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

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

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

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

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

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

See Notes to Consolidated Financial Statements.

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

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

				Range of Unobservable	Weighted Average of Unobservable
	Value	Valuation Techniques	Unobservable Inputs <sup>1</sup>	Inputs	Inputs <sup>2</sup>
<b>Assets:</b>					
Common Stocks	\$ 3,853,848	Market Comparable Companies	EBITDA Multiple	5.9x	5.9x
			Forward EBITDA Multiple	4.6x	4.6x
		Cost	N/A <sup>3</sup>		
Corporate Bonds	3,847,720	Market Comparable Companies	Yield	7.00% 9.67%	8.76%
			EBITDA Multiple	6.0x	6.0x
		Cost	N/A <sup>3</sup>		
Floating Rate Loan Interests	3,134,643	Market Comparable Companies	Illiquidity Discount	50%	50%
			Yield	9.65%	9.65%
		Cost	N/A <sup>3</sup>		
<b>Total<sup>4</sup></b>	<b>\$ 10,836,211</b>				

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

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

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

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

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

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

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

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

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

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

See Notes to Consolidated Financial Statements.

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

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

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

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

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

<sup>3</sup> Issuances represent upfront cash received on certain derivative financial instruments.

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

See Notes to Consolidated Financial Statements.

**Table of Contents****Consolidated Schedule of Investments**

August 31, 2012 (Unaudited)

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

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

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



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

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

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

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8.75%, 12/01/18		100	111,315
West Corp., 8.63%, 10/01/18	USD	135	137,025
			5,737,315
<b>Communications Equipment 1.8%</b>			
Avaya, Inc., 9.75%, 11/01/15		780	676,650
Frontier Communications Corp., 6.25%, 1/15/13		900	915,750
Hughes Satellite Systems Corp., 6.50%, 6/15/19		410	439,212
Zayo Group LLC/Zayo Capital, Inc.:			
8.13%, 1/01/20		1,550	1,646,875
10.13%, 7/01/20		1,270	1,362,075
			5,040,562
		<b>Par</b>	<b>Value</b>
		<b>(000)</b>	
<b>Corporate Bonds</b>			
<b>Computers &amp; Peripherals 0.1%</b>			
SanDisk Corp., 1.50%, 8/15/17 (e)	USD	220	\$ 243,650
<b>Construction &amp; Engineering 0.2%</b>			
Boart Longyear Management Property Ltd.,			
7.00%, 4/01/21 (b)		200	207,500
H&E Equipment Services, Inc., 7.00%, 9/01/22 (b)		330	342,375
URS Corp., 5.00%, 4/01/22 (b)		75	76,049
			625,924
<b>Construction Materials 1.4%</b>			
HD Supply, Inc. (b):			
8.13%, 4/15/19		1,545	1,676,325
11.00%, 4/15/20		1,475	1,622,500
Xefin Lux SCA:			
8.00%, 6/01/18 (b)	EUR	254	311,494
8.00%, 6/01/18		200	245,271
			3,855,590
<b>Consumer Finance 0.2%</b>			
Credit Acceptance Corp., 9.13%, 2/01/17	USD	445	489,500
<b>Containers &amp; Packaging 1.7%</b>			
Ardagh Packaging Finance Plc:			
7.38%, 10/15/17 (b)	EUR	375	498,796
7.38%, 10/15/17 (b)	USD	200	214,250
7.38%, 10/15/17	EUR	200	266,025
9.13%, 10/15/20 (b)	USD	395	410,800
9.13%, 10/15/20 (b)		205	214,225
9.13%, 10/15/20 (b)		204	212,670
Berry Plastics Corp.:			
4.34%, 9/15/14 (d)		300	295,500
8.25%, 11/15/15		115	121,037
9.75%, 1/15/21		420	465,150
Beverage Packaging Holdings Luxembourg II SA,			
8.00%, 12/15/16	EUR	706	870,247
GCL Holdings SCA, 9.38%, 4/15/18 (b)		267	325,758
Graphic Packaging International, Inc.,			
7.88%, 10/01/18	USD	375	418,125
OI European Group BV, 6.88%, 3/31/17	EUR	155	201,295
Sealed Air Corp., 8.38%, 9/15/21 (b)	USD	185	208,125
Tekni-Plex, Inc., 9.75%, 6/01/19 (b)		180	188,100
			4,910,103
<b>Distributors 0.6%</b>			
VWR Funding, Inc., 7.25%, 9/15/17 (b)(h)		1,619	1,639,238
<b>Diversified Consumer Services 1.5%</b>			
Laureate Education, Inc., 9.25%, 9/01/19 (b)		605	605,000
Service Corp. International, 7.00%, 6/15/17		3,000	3,420,000
ServiceMaster Co., 8.00%, 2/15/20		190	202,588
			4,227,588
<b>Diversified Financial Services 4.4%</b>			

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Aircastle Ltd., 6.75%, 4/15/17		470	507,600
Ally Financial, Inc.:			
7.50%, 12/31/13		280	299,250
8.00%, 11/01/31		3,650	4,316,125
CNG Holdings, Inc., 9.38%, 5/15/20 (b)		300	306,000
DPL, Inc., 7.25%, 10/15/21 (b)		1,175	1,339,500
Gala Group Finance Plc, 8.88%, 9/01/18	GBP	300	444,201
General Motors Financial Co., Inc., 6.75%, 6/01/18	USD	300	332,623
Lehman Brothers Holdings, Inc. (a)(i):			
5.38%, 10/17/12	EUR	150	48,111
4.75%, 1/16/14		760	243,762
1.00%, 2/05/14		1,600	520,226
1.00%, 9/22/18	USD	175	43,094
1.00%, 12/31/49		620	152,675
Leucadia National Corp., 8.13%, 9/15/15		825	930,187

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

<b>Corporate Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Diversified Financial Services (concluded)</b>		
Reynolds Group Issuer, Inc.:		
7.75%, 10/15/16	EUR 209	\$ 271,424
7.13%, 4/15/19	USD 245	263,988
9.75%, 4/15/19	275	279,469
7.88%, 8/15/19	355	394,937
9.88%, 8/15/19	1,045	1,105,087
8.25%, 2/15/21	135	132,638
WMG Acquisition Corp.:		
9.50%, 6/15/16	120	131,100
11.50%, 10/01/18	416	456,560
		12,518,557
<b>Diversified Telecommunication Services 2.3%</b>		
Broadview Networks Holdings, Inc.,		
11.38%, 9/01/12 (a)(i)	1,035	698,625
Consolidated Communications Finance Co.,		
10.88%, 6/01/20 (b)	595	638,137
ITC Deltacom, Inc., 10.50%, 4/01/16	280	301,700
Level 3 Communications, Inc., 8.88%, 6/01/19 (b)	315	321,300
Level 3 Financing, Inc.:		
8.13%, 7/01/19	1,325	1,387,937
7.00%, 6/01/20 (b)	574	571,130
8.63%, 7/15/20	845	904,150
OTE Plc, 5.00%, 8/05/13	EUR 112	122,099
Telenet Finance V Luxembourg SCA:		
6.25%, 8/15/22	150	189,613
6.75%, 8/15/24	367	468,537
Windstream Corp.:		
8.13%, 8/01/13	USD 460	485,300
7.88%, 11/01/17	393	427,388
		6,515,916
<b>Electric Utilities 0.7%</b>		
Mirant Mid Atlantic Pass Through Trust, Series B,		
9.13%, 6/30/17	290	311,742
The Tokyo Electric Power Co., Inc.,		
4.50%, 3/24/14	EUR 1,300	1,627,455
		1,939,197
<b>Electrical Equipment 0.1%</b>		
Belden, Inc., 5.50%, 9/01/22 (b)	USD 370	370,925
<b>Electronic Equipment, Instruments &amp; Components 0.5%</b>		
CDW LLC/CDW Finance Corp., 8.50%, 4/01/19	370	405,150
Jabil Circuit, Inc., 8.25%, 3/15/18	235	282,000
Micron Technology, Inc., 2.38%, 5/01/32 (b)(e)	441	419,501
NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (b)	200	228,500
		1,335,151
<b>Energy Equipment &amp; Services 3.4%</b>		
Atwood Oceanics, Inc., 6.50%, 2/01/20	140	149,450
Calfrac Holdings LP, 7.50%, 12/01/20 (b)	395	387,100
Compagnie Générale de Géophysique, Veritas:		
7.75%, 5/15/17	250	261,250

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6.50%, 6/01/21		1,255	1,306,769
Forbes Energy Services Ltd., 9.00%, 6/15/19		365	354,050
FTS International Services LLC/ FTS International Bonds Inc., 8.13%, 11/15/18 (b)		1,755	1,812,037
Gulfmark Offshore, Inc., 6.38%, 3/15/22 (b)		155	158,100
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20		315	321,300
Key Energy Services, Inc., 6.75%, 3/01/21		450	457,875
MEG Energy Corp. (b):			
6.50%, 3/15/21		1,205	1,268,263
6.38%, 1/30/23		450	469,125
Oil States International, Inc., 6.50%, 6/01/19		320	340,000
Peabody Energy Corp.:			
6.25%, 11/15/21 (b)		1,405	1,429,587
7.88%, 11/01/26		375	400,313
		<b>Par</b>	
<b>Corporate Bonds</b>		<b>(000)</b>	<b>Value</b>
<b>Energy Equipment &amp; Services (concluded)</b>			
Precision Drilling Corp.:			
6.63%, 11/15/20	USD	75	\$ 78,750
6.50%, 12/15/21		295	309,750
			9,503,719
<b>Food &amp; Staples Retailing 0.2%</b>			
Bakkavor Finance 2 Plc, 8.25%, 2/15/18	GBP	100	139,731
Rite Aid Corp., 9.25%, 3/15/20	USD	375	385,312
			525,043
<b>Food Products 0.4%</b>			
Darling International, Inc., 8.50%, 12/15/18		115	130,237
Del Monte Corp., 7.63%, 2/15/19		61	60,924
Post Holdings, Inc., 7.38%, 2/15/22 (b)		385	405,694
Smithfield Foods, Inc., 6.63%, 8/15/22		588	601,965
			1,198,820
<b>Health Care Equipment &amp; Supplies 1.5%</b>			
Biomet, Inc.:			
10.00%, 10/15/17		195	206,335
6.50%, 8/01/20 (b)		708	734,550
DJO Finance LLC:			
10.88%, 11/15/14		519	541,706
8.75%, 3/15/18 (b)		450	478,125
7.75%, 4/15/18		100	91,500
Fresenius Medical Care US Finance, Inc.,			
6.50%, 9/15/18 (b)		208	233,220
Fresenius Medical Care US Finance II, Inc.,			
5.88%, 1/31/22 (b)		650	690,625
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b)		540	621,675
Kinetic Concepts, Inc./KCI USA, Inc.,			
12.50%, 11/01/19 (b)		280	254,100
Teleflex, Inc., 6.88%, 6/01/19		295	315,650
			4,167,486
<b>Health Care Providers &amp; Services 7.3%</b>			
Aviv Healthcare Properties LP, 7.75%, 2/15/19		570	592,800
CHS/Community Health Systems, Inc.:			
5.13%, 8/15/18		785	809,531
7.13%, 7/15/20		456	477,660
ConvaTec Healthcare E SA, 7.38%, 12/15/17 (b)	EUR	494	664,848
Crown Newco 3 Plc, 7.00%, 2/15/18 (b)	GBP	364	582,313
DaVita, Inc., 5.75%, 8/15/22	USD	928	965,120
HCA, Inc.:			
8.50%, 4/15/19		135	152,213
6.50%, 2/15/20		2,355	2,587,556
7.88%, 2/15/20		95	106,044
7.25%, 9/15/20		2,600	2,881,125
5.88%, 3/15/22		275	292,531
Hologic, Inc., 6.25%, 8/01/20 (b)		1,597	1,690,824
IASIS Healthcare LLC, 8.38%, 5/15/19		1,538	1,466,867

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INC Research LLC, 11.50%, 7/15/19 (b)	410	401,800
inVentiv Health, Inc., 10.00%, 8/15/18 (b)	135	113,738
Omnicare, Inc., 7.75%, 6/01/20	1,005	1,108,012
PSS World Medical, Inc., 6.38%, 3/01/22	334	353,205
Symbion, Inc., 8.00%, 6/15/16	345	348,666
Tenet Healthcare Corp.:		
10.00%, 5/01/18	839	964,850
6.25%, 11/01/18	330	358,256
8.88%, 7/01/19	2,624	2,984,800
United Surgical Partners International, Inc.,		
9.00%, 4/01/20 (b)	290	311,388
Vanguard Health Holding Co. II LLC, 7.75%,		
2/01/19 (b)	465	484,762
		20,698,909

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

<b>Corporate Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Health Care Technology 1.0%</b>		
IMS Health, Inc., 12.50%, 3/01/18 (b)	USD 2,405	\$ 2,825,875
<b>Hotels, Restaurants &amp; Leisure 4.5%</b>		
Affinity Gaming LLC/Affinity Gaming Finance Corp., 9.00%, 5/15/18 (b)	290	295,075
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	1,360	1,465,400
10.00%, 12/15/18	2,684	1,690,920
8.50%, 2/15/20 (b)	305	300,806
Caesars Operating Escrow LLC, 9.00%, 2/15/20 (b)	1,673	1,664,635
Carlson Wagonlit BV, 6.88%, 6/15/19 (b)	325	338,000
Cirsa Funding Luxembourg SA, 8.75%, 5/15/18	EUR 211	232,885
Diamond Resorts Corp., 12.00%, 8/15/18	USD 1,190	1,265,862
El Dorado Resorts LLC, 8.63%, 6/15/19 (b)	140	136,500
Enterprise Inns Plc, 6.50%, 12/06/18	GBP 324	445,011
Gategroup Finance Luxembourg SA, 6.75%, 3/01/19	EUR 265	340,817
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (b)	USD 300	273,000
MGM Resorts International:		
10.38%, 5/15/14	190	215,650
4.25%, 4/15/15 (e)	1,080	1,090,800
11.13%, 11/15/17	1,400	1,557,500
MTR Gaming Group, Inc., 11.50%, 8/01/19 (f)	151	154,896
Travelport LLC:		
5.09%, 9/01/14 (d)	180	127,800
9.88%, 9/01/14	40	31,800
9.00%, 3/01/16	120	85,200
6.46%, 12/01/16 (b)(f)	419	323,781
Tropicana Entertainment LLC, 9.63%, 12/15/14 (a)(i)	305	
Wynn Las Vegas LLC, 5.38%, 3/15/22 (b)	620	633,950
		12,670,288
<b>Household Durables 1.7%</b>		
Beazer Homes USA, Inc., 6.63%, 4/15/18 (b)	50	51,125
Jarden Corp., 7.50%, 1/15/20	EUR 305	413,360
Libbey Glass, Inc., 6.88%, 5/15/20 (b)	USD 610	650,413
Pulte Group, Inc., 6.38%, 5/15/33	190	165,300
Ryland Group, Inc., 6.63%, 5/01/20	340	358,700
Spie BondCo 3 SCA, 11.00%, 8/15/19	EUR 303	386,830
Standard Pacific Corp.:		
10.75%, 9/15/16	USD 1,390	1,678,425
8.38%, 1/15/21	1,055	1,176,325
		4,880,478
<b>Household Products 0.6%</b>		
<b>Ontex IV SA:</b>		
7.50%, 4/15/18	EUR 104	132,773
7.50%, 4/15/18 (b)	150	191,500
9.00%, 4/15/19	213	246,478
Spectrum Brands Holdings, Inc.:		
9.50%, 6/15/18	USD 360	410,850
9.50%, 6/15/18 (b)	590	673,338
		1,654,939



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<b>Independent Power Producers &amp; Energy Traders 3.1%</b>		
The AES Corp., 7.38%, 7/01/21	275	314,875
Calpine Corp. (b):		
7.25%, 10/15/17	180	192,600
7.50%, 2/15/21	100	111,000
7.88%, 1/15/23	445	502,850
Energy Future Holdings Corp., 10.00%, 1/15/20	1,920	2,116,800
Energy Future Intermediate Holding Co. LLC:		
6.88%, 8/15/17 (b)	305	311,481
10.00%, 12/01/20	2,691	3,020,648
	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>
<b>Corporate Bonds</b>		
<b>Independent Power Producers &amp; Energy Traders (concluded)</b>		
11.75%, 3/01/22 (b)	USD 588	\$ 626,220
GenOn REMA LLC, 9.24%, 7/02/17	242	259,665
Laredo Petroleum, Inc.:		
9.50%, 2/15/19	485	550,475
7.38%, 5/01/22	370	397,750
QEP Resources, Inc., 5.38%, 10/01/22	333	341,325
		8,745,689
<b>Industrial Conglomerates 2.3%</b>		
Sequa Corp. (b):		
11.75%, 12/01/15	2,340	2,457,000
13.50%, 12/01/15	3,954	4,191,252
		6,648,252
<b>Insurance 1.0%</b>		
Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)	1,700	1,757,375
CNO Financial Group, Inc., 9.00%, 1/15/18 (b)	367	401,406
Genworth Financial, Inc., 7.63%, 9/24/21	430	439,374
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)	260	232,700
		2,830,855
<b>IT Services 3.1%</b>		
Ceridian Corp., 8.88%, 7/15/19 (b)	1,480	1,587,300
Epicor Software Corp., 8.63%, 5/01/19	570	587,100
First Data Corp.:		
7.38%, 6/15/19 (b)	1,580	1,631,350
8.88%, 8/15/20 (b)	535	583,150
6.75%, 11/01/20 (b)	895	888,288
8.25%, 1/15/21 (b)	620	614,575
12.63%, 1/15/21	1,699	1,720,237
SunGard Data Systems, Inc.:		
7.38%, 11/15/18	550	584,375
7.63%, 11/15/20	600	643,500
		8,839,875
<b>Machinery 1.2%</b>		
SPX Corp., 6.88%, 9/01/17	175	194,250
UR Merger Sub Corp. (b):		
5.75%, 7/15/18	257	271,778
7.38%, 5/15/20	440	466,400
7.63%, 4/15/22	2,157	2,329,560
		3,261,988
<b>Media 12.7%</b>		
Affinion Group, Inc., 7.88%, 12/15/18	815	582,725
AMC Networks, Inc., 7.75%, 7/15/21	225	254,813
CCO Holdings LLC:		
6.50%, 4/30/21	498	534,105
5.25%, 9/30/22	990	980,100
Cengage Learning Acquisitions, Inc.,		
11.50%, 4/15/20 (b)	1,065	1,120,912
Checkout Holding Corp., 16.00%, 11/15/15 (b)(g)	670	408,700

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Cinemark USA, Inc., 8.63%, 6/15/19	220	246,400
Clear Channel Communications, Inc., 9.00%, 3/01/21	449	385,018
Clear Channel Worldwide Holdings, Inc.:		
Series A, 9.25%, 12/15/17	1,495	1,618,337
Series B, 9.25%, 12/15/17	5,202	5,650,672
Series B, 7.63%, 3/15/20	1,624	1,575,280
Cox Enterprises, Inc. (b):		
Loan Close 2, 12.00%, 8/15/18	688	688,495
Loan Close 3, 12.00%, 8/15/18	786	787,146
Shares Loan, 12.00%, 8/15/18	811	811,824
CSC Holdings LLC, 8.50%, 4/15/14	390	428,513
DISH DBS Corp., 5.88%, 7/15/22 (b)	1,150	1,158,625

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

<b>Corporate Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Media (concluded)</b>		
Harron Communications LP, 9.13%, 4/01/20 (b)	USD 320	\$ 346,400
Intelsat Jackson Holdings SA: 11.25%, 6/15/16	883	929,357
7.25%, 10/15/20 (b)	820	883,550
Intelsat Luxembourg SA: 11.25%, 2/04/17	620	651,000
11.50%, 2/04/17 (f)	1,200	1,260,000
Interactive Data Corp., 10.25%, 8/01/18	1,345	1,516,487
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	340	379,950
Kabel Deutschland Vertrieb und Service GmbH & Co. KG, 6.50%, 6/29/18 (b)	EUR 345	467,571
Lamar Media Corp., 5.88%, 2/01/22	USD 140	148,400
Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)	735	786,450
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b)	558	622,170
Nielsen Finance LLC: 11.63%, 2/01/14	117	132,795
7.75%, 10/15/18	2,145	2,413,125
Odeon & UCI Finco Plc, 9.00%, 8/01/18 (b)	GBP 207	326,220
ProQuest LLC, 9.00%, 10/15/18 (b)	USD 500	458,750
ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(e)(i)	850	425
Truven Health Analytics, Inc., 10.63%, 6/01/20 (b)	510	544,425
Unitymedia GmbH: 9.63%, 12/01/19 (b)	EUR 570	805,668
9.63%, 12/01/19	168	237,460
9.50%, 3/15/21	320	459,349
Unitymedia Hessen GmbH & Co. KG: 8.13%, 12/01/17 (b)	USD 956	1,034,870
8.13%, 12/01/17 (b)	EUR 135	183,175
7.50%, 3/15/19	794	1,093,569
UPC Holding BV, 9.88%, 4/15/18 (b)	USD 400	449,000
UPCB Finance II Ltd.: 6.38%, 7/01/20 (b)	EUR 822	1,080,438
6.38%, 7/01/20	300	394,320
WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)	USD 300	309,000
Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)	EUR 388	535,609
Ziggo Finance BV, 6.13%, 11/15/17 (b)	74	99,360
		35,780,558
<b>Metals &amp; Mining 3.8%</b>		
Eco-Bat Finance Plc, 7.75%, 2/15/17	460	584,374
FMG Resources August 2006 Property Ltd. (b): 6.88%, 2/01/18	USD 360	342,900
6.88%, 4/01/22	190	174,800
Global Brass and Copper, Inc., 9.50%, 6/01/19 (b)	300	315,750
Goldcorp, Inc., 2.00%, 8/01/14 (e)	1,060	1,221,650
Kaiser Aluminum Corp., 8.25%, 6/01/20 (b)	225	238,500
New Gold, Inc., 7.00%, 4/15/20 (b)	150	157,875
New World Resources NV, 7.88%, 5/01/18	EUR 655	819,740
Newmont Mining Corp., Series A, 1.25%, 7/15/14 (e)	USD 1,475	1,875,094
Novelis, Inc., 8.75%, 12/15/20	3,315	3,704,512
Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19	EUR 315	319,937
Steel Dynamics, Inc., 6.38%, 8/15/22 (b)	USD 245	253,575
Taseko Mines Ltd., 7.75%, 4/15/19	420	400,050

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Vedanta Resources Plc, 8.25%, 6/07/21 (b)	270	257,850
		10,666,607
<b>Multiline Retail 0.3%</b>		
Dollar General Corp., 4.13%, 7/15/17	792	823,680
	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels 10.7%</b>		
Access Midstream Partners LP, 6.13%, 7/15/22	USD 275	\$ 285,313
Alpha Appalachia Holdings, Inc., 3.25%, 8/01/15 (e)	803	720,692
Alpha Natural Resources, Inc.:		
6.00%, 6/01/19	315	283,500
6.25%, 6/01/21	255	228,225
Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (b)	680	710,600
Berry Petroleum Co., 6.38%, 9/15/22	410	436,650
BreitBurn Energy Partners LP, 7.88%, 4/15/22 (b)	255	260,100
CCS, Inc., 11.00%, 11/15/15 (b)	570	589,950
Chaparral Energy, Inc., 7.63%, 11/15/22 (b)	220	232,650
Chesapeake Energy Corp.:		
7.25%, 12/15/18	15	15,713
6.63%, 8/15/20	180	184,950
6.88%, 11/15/20	175	181,563
6.13%, 2/15/21	595	590,537
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)	116	123,540
Concho Resources, Inc.:		
7.00%, 1/15/21	160	178,400
6.50%, 1/15/22	110	118,800
5.50%, 10/01/22	475	490,437
Consol Energy, Inc., 8.25%, 4/01/20	1,765	1,901,787
Continental Resources, Inc., 7.13%, 4/01/21	370	414,400
Copano Energy LLC, 7.13%, 4/01/21	300	313,500
Crosstex Energy LP:		
8.88%, 2/15/18	180	192,150
7.13%, 6/01/22 (b)	150	149,250
Crown Oil Partners IV LP, 15.00%, 3/07/15	597	596,620
Denbury Resources, Inc., 8.25%, 2/15/20	47	53,345
Energy XXI Gulf Coast, Inc.:		
9.25%, 12/15/17	555	618,825
7.75%, 6/15/19	900	956,250
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (b)	345	370,012
EP Energy LLC/Everest Acquisition Finance, Inc., 7.75%, 9/01/22 (b)	215	215,538
EV Energy Partners LP, 8.00%, 4/15/19	150	154,875
Hilcorp Energy I LP, 7.63%, 4/15/21 (b)	745	819,500
Holly Energy Partners LP, 6.50%, 3/01/20 (b)	155	161,975
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (b)	350	371,875
Linn Energy LLC:		
6.50%, 5/15/19 (b)	95	94,525
6.25%, 11/01/19 (b)	2,045	2,019,437
8.63%, 4/15/20	225	243,000
7.75%, 2/01/21	200	208,500
MarkWest Energy Partners LP:		
6.25%, 6/15/22	80	85,000
5.50%, 2/15/23	225	230,063
Newfield Exploration Co., 6.88%, 2/01/20	780	852,150
Northern Oil and Gas, Inc., 8.00%, 6/01/20 (b)	310	316,200
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	265	279,575
6.50%, 11/01/21	290	295,800
Offshore Group Investments Ltd.:		
11.50%, 8/01/15 (b)	1,330	1,469,650
11.50%, 8/01/15	325	359,125
OGX Petroleo e Gas Participacoes SA (b):		
8.50%, 6/01/18	1,997	1,772,337
8.38%, 4/01/22	500	425,000
PBF Holding Co. LLC, 8.25%, 2/15/20 (b)	295	308,275
PetroBakken Energy Ltd., 8.63%, 2/01/20 (b)	1,195	1,221,887
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)	575	613,812

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Pioneer Natural Resources Co.:		
6.88%, 5/01/18	460	556,922
7.50%, 1/15/20	145	181,347
Range Resources Corp.:		
8.00%, 5/15/19	345	381,225
5.75%, 6/01/21	985	1,047,794
5.00%, 8/15/22	435	452,944

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

<b>Corporate Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Oil, Gas &amp; Consumable Fuels (concluded)</b>		
Sabine Pass Liquefied Natural Gas LP, 7.50%, 11/30/16	USD 610	\$ 652,700
Samson Investment Co., 9.75%, 2/15/20 (b)	83	85,490
<b>SandRidge Energy, Inc.:</b>		
7.50%, 3/15/21	250	253,125
7.50%, 3/15/21 (b)	690	698,625
8.13%, 10/15/22 (b)	255	266,475
7.50%, 2/15/23 (b)	545	547,725
<b>SESI LLC:</b>		
6.38%, 5/01/19	325	344,500
7.13%, 12/15/21	235	261,438
<b>SM Energy Co.:</b>		
6.63%, 2/15/19	130	135,850
6.50%, 11/15/21	265	276,925
6.50%, 1/01/23 (b)	125	130,313
Vanguard Natural Resources, 7.88%, 4/01/20	270	270,000
		30,259,256
<b>Paper &amp; Forest Products 1.6%</b>		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(f)	1,252	1,139,184
<b>Boise Paper Holdings LLC:</b>		
9.00%, 11/01/17	60	66,450
8.00%, 4/01/20	125	138,125
<b>Clearwater Paper Corp.:</b>		
10.63%, 6/15/16	390	435,825
7.13%, 11/01/18	585	639,113
<b>Longview Fibre Paper &amp; Packaging, Inc.,</b>		
8.00%, 6/01/16 (b)	345	357,075
NewPage Corp., 11.38%, 12/31/14 (a)(i)	2,070	1,402,425
<b>Sappi Papier Holding GmbH (b):</b>		
8.38%, 6/15/19	200	210,500
6.63%, 4/15/21	140	129,500
		4,518,197
<b>Pharmaceuticals 1.0%</b>		
<b>Capsugel Finance Co. SCA:</b>		
9.88%, 8/01/19	EUR 100	140,559
9.88%, 8/01/19 (b)	200	281,118
<b>Pharmaceutical Product Development, Inc.,</b>		
9.50%, 12/01/19 (b)	USD 185	206,275
Spectrum Brands, Inc., 6.75%, 3/15/20 (b)	260	273,000
<b>Valeant Pharmaceuticals International (b):</b>		
6.50%, 7/15/16	1,245	1,313,475
6.75%, 8/15/21	570	578,550
		2,792,977
<b>Professional Services 0.3%</b>		
FTI Consulting, Inc., 6.75%, 10/01/20	920	982,100
<b>Real Estate Investment Trusts (REITs) 0.7%</b>		
Felcor Lodging LP, 6.75%, 6/01/19	1,215	1,303,088
The Rouse Co. LP, 6.75%, 11/09/15	520	547,950
		1,851,038
<b>Real Estate Management &amp; Development 2.3%</b>		

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CBRE Services, Inc., 6.63%, 10/15/20		335	365,987
Crescent Resources LLC/Crescent Ventures, Inc., 10.25%, 8/15/17 (b)		710	727,750
Forest City Enterprises, Inc., 7.63%, 6/01/15		426	423,604
IVG Immobilien AG, 8.00% (j)	EUR	200	114,208
Realogy Corp.:			
11.50%, 4/15/17	USD	400	425,000
12.00%, 4/15/17		100	104,750
7.88%, 2/15/19 (b)		2,065	2,126,950
7.63%, 1/15/20 (b)		505	550,450
9.00%, 1/15/20 (b)		335	361,800
Shea Homes LP, 8.63%, 5/15/19		1,250	1,390,625
			6,591,124
<b>Corporate Bonds</b>		<b>Par (000)</b>	<b>Value</b>
<b>Road &amp; Rail 1.3%</b>			
Florida East Coast Railway Corp., 8.13%, 2/01/17	USD	410	\$ 430,500
The Hertz Corp.:			
7.50%, 10/15/18		550	593,312
6.75%, 4/15/19 (b)		290	304,500
7.38%, 1/15/21		415	451,313
Hertz Holdings Netherlands BV:			
8.50%, 7/31/15	EUR	188	256,566
8.50%, 7/31/15 (b)		1,115	1,521,655
			3,557,846
<b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>			
Spansion LLC, 7.88%, 11/15/17	USD	580	565,500
<b>Software 1.3%</b>			
Audatex North America, Inc., 6.75%, 6/15/18 (b)		530	568,425
Infor US, Inc., 9.38%, 4/01/19 (b)		1,650	1,786,125
Nuance Communications, Inc., 5.38%, 8/15/20 (b)		885	904,913
Sophia LP, 9.75%, 1/15/19 (b)		442	475,150
			3,734,613
<b>Specialty Retail 2.8%</b>			
Asbury Automotive Group, Inc., 8.38%, 11/15/20		365	403,325
Claire s Stores, Inc., 9.00%, 3/15/19 (b)		490	508,375
House of Fraser Funding Plc:			
8.88%, 8/15/18 (b)	GBP	285	402,193
8.88%, 8/15/18		221	311,876
Limited Brands, Inc.:			
8.50%, 6/15/19	USD	785	942,000
5.63%, 2/15/22		160	168,400
Party City Holdings, Inc., 8.88%, 8/01/20 (b)		793	838,597
Penske Automotive Group, Inc., 5.75%, 10/01/22 (b)		540	550,800
Phones4u Finance Plc, 9.50%, 4/01/18 (b)	GBP	400	612,910
QVC, Inc. (b):			
7.13%, 4/15/17	USD	230	243,276
7.50%, 10/01/19		625	692,509
7.38%, 10/15/20		290	323,138
5.13%, 7/02/22		429	449,653
Sally Holdings LLC:			
6.88%, 11/15/19		545	609,038
5.75%, 6/01/22		435	468,169
Sonic Automotive, Inc., 9.00%, 3/15/18		370	404,225
			7,928,484
<b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>			
Levi Strauss & Co., 6.88%, 5/01/22		440	456,500
<b>Trading Companies &amp; Distributors 0.6%</b>			
Ashtead Capital, Inc., 6.50%, 7/15/22 (b)		490	509,600
Doric Nimrod Air Finance Alpha Ltd. (b):			
Series 2012-1, Class A, 5.13%, 11/30/24		635	644,525
Series 2012-1, Class B, 6.50%, 5/30/21		575	581,797

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		1,735,922
<b>Transportation Infrastructure</b>	<b>0.2%</b>	
Aguila 3 SA, 7.88%, 1/31/18 (b)	431	454,166
<b>Wireless Telecommunication Services</b>	<b>4.0%</b>	
Cricket Communications, Inc.:		
7.75%, 5/15/16	110	116,050
7.75%, 10/15/20	215	208,550
Digicel Group Ltd. (b):		
9.13%, 1/15/15	1,783	1,800,830
8.25%, 9/01/17	1,180	1,250,800
10.50%, 4/15/18	1,020	1,101,600
Matterhorn Mobile Holdings SA, 8.25%, 2/15/20	EUR 195	265,506
MetroPCS Wireless, Inc., 6.63%, 11/15/20	USD 760	786,600
NII Capital Corp., 7.63%, 4/01/21	341	263,422
SBA Telecommunications, Inc., 5.75%, 7/15/20 (b)	286	298,870

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
<b>Wireless Telecommunication Services (concluded)</b>		
Sprint Capital Corp., 6.88%, 11/15/28	USD 1,827	\$ 1,653,435
Sprint Nextel Corp. (b):		
9.00%, 11/15/18	1,780	2,100,400
7.00%, 3/01/20	1,330	1,456,350
		11,302,413
<b>Total Corporate Bonds 104.3%</b>		<b>294,641,890</b>
<b>Floating Rate Loan Interests (d)</b>		
<b>Airlines 0.1%</b>		
Delta Air Lines, Inc., Credit, Term Loan B, 5.50%, 4/20/17	396	398,797
<b>Auto Components 0.5%</b>		
Federal-Mogul Corp., Term Loan B, 2.17% 2.18%, 12/29/14	945	901,873
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	395	396,153
		1,298,026
<b>Building Products 0.2%</b>		
Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17	398	402,949
<b>Capital Markets 0.7%</b>		
American Capital Holdings, Term Loan, 5.50%, 7/19/16	816	819,060
Nuveen Investments, Inc.:		
Incremental Term Loan, 7.25%, 5/13/17	655	657,947
Second Lien Term Loan, 8.25%, 2/28/19	415	417,594
		1,894,601
<b>Chemicals 0.7%</b>		
Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19	170	171,595
INEOS US Finance LLC, 6 Year Term Loan, 6.50%, 5/04/18	1,147	1,148,800
PQ Corp., Term Loan B, 3.98%, 7/30/14	290	284,529
Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17	393	365,804
		1,970,728
<b>Commercial Services &amp; Supplies 0.7%</b>		
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	465	465,004
Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16	550	555,500
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	983	982,500
		2,003,004
<b>Communications Equipment 0.8%</b>		
Avaya, Inc., Term Loan B1, 3.18%, 10/24/14	254	243,513
Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19	2,075	2,105,482
		2,348,995

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<b>Construction &amp; Engineering 0.7%</b>			
Safway Services LLC, Mezzanine Loan, 15.63%, 12/16/17		2,000	2,000,000
<b>Construction Materials 0.4%</b>			
HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17		1,115	1,139,162
<b>Consumer Finance 1.7%</b>			
Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17		5,085	4,910,839
<b>Diversified Consumer Services 0.1%</b>			
Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18		144	140,723
		<b>Par</b>	
		<b>(000)</b>	<b>Value</b>
<b>Floating Rate Loan Interests (d)</b>			
<b>Diversified Consumer Services (concluded)</b>			
ServiceMaster Co.:			
Delayed Draw Term Loan, 2.74%, 7/24/14	USD	8	\$ 8,426
Term Loan, 2.75% 2.97%, 7/24/14		85	84,608
			233,757
<b>Diversified Financial Services 0.5%</b>			
Residential Capital LLC:			
DIP Term Loan A1, 5.00%, 11/18/13		1,255	1,258,137
DIP Term Loan A2, 6.75%, 11/18/13		185	187,159
			1,445,296
<b>Diversified Telecommunication Services 0.5%</b>			
Level 3 Financing, Inc.:			
2016 Term Loan B, 4.75%, 2/01/16		330	330,660
2019 Term Loan B, 5.25%, 8/01/19		270	270,394
Term Loan B3, 5.75%, 8/31/18		850	852,244
			1,453,298
<b>Electronic Equipment, Instruments &amp; Components 0.1%</b>			
CDW LLC, Extended Term Loan, 4.00%, 7/14/17		276	272,290
<b>Energy Equipment &amp; Services 2.2%</b>			
Dynergy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16		1,981	2,055,246
Dynergy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16		3,626	3,795,937
Tervita Corp., Incremental Term Loan, 6.50%, 10/17/14		274	273,398
			6,124,581
<b>Food &amp; Staples Retailing 0.0%</b>			
US Foods, Inc. (FKA U.S. Foodservice, Inc.), Extended Term Loan B, 5.75%, 3/31/17		74	71,704
<b>Food Products 0.3%</b>			
Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 9/29/17		900	905,400
<b>Health Care Equipment &amp; Supplies 0.5%</b>			
Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19		475	476,582
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19		763	765,949
LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18		285	287,137
			1,529,668
<b>Health Care Providers &amp; Services 0.5%</b>			
Harden Healthcare LLC:			
Add on Term Loan A, 7.75%, 3/02/15		387	375,509
Term Loan A, 8.50%, 3/02/15		367	360,007
InVentiv Health, Inc., Combined Term Loan, 6.50%, 8/04/16		683	635,995
			1,371,511
<b>Hotels, Restaurants &amp; Leisure 1.2%</b>			
Caesars Entertainment Operating Co., Inc.:			
Extended Term Loan B6, 5.49%, 1/26/18		200	175,812
Incremental Term Loan B4, 9.50%, 10/31/16		483	492,041
Term Loan B1, 3.24%, 1/28/15		411	389,885
Term Loan B2, 3.24%, 1/28/15		444	421,185
Term Loan B3, 3.24% 3.46%, 1/28/15		965	915,341

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OSI Restaurant Partners LLC:		
Revolver, 2.49% 4.50%, 6/14/13	9	9,354
Term Loan B, 2.56%, 6/14/14	95	94,275
Sabre, Inc., Non Extended Initial Term Loan, 2.23%, 9/30/14	64	62,961
Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16	868	824,651
Travelport LLC:		
Extended Tranche A Term Loan, 6.44%, 9/28/12	193	57,871
Extended Tranche B Term Loan, 13.94%, 12/01/16	622	49,753
		3,493,129

See Notes to Consolidated Financial Statements.

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

(Percentages shown are based on Net Assets)

	<b>Par (000)</b>	<b>Value</b>
<b>Floating Rate Loan Interests (d)</b>		
<b>Industrial Conglomerates 0.1%</b>		
Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	USD 178	\$ 178,898
Term Loan, 3.69% 3.72%, 12/03/14	155	153,935
		332,833
<b>IT Services 0.3%</b>		
Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17	68	68,258
First Data Corp., 2018 Term Loan B, 4.24%, 3/23/18	785	741,174
		809,432
<b>Leisure Equipment &amp; Products 0.2%</b>		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	653	646,881
<b>Machinery 0.5%</b>		
Navistar International Corp., Term Loan B, 7.00%, 8/17/17	676	678,879
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	592	594,352
		1,273,231
<b>Media 4.8%</b>		
Affinion Group, Inc., Term Loan B, 5.00%, 7/15/15	40	33,595
Cengage Learning Acquisitions, Inc.:		
Non-Extended Term Loan, 2.49%, 7/03/14	323	297,642
Tranche 1 Incremental, Term Loan, 7.50%, 7/03/14	1,676	1,617,000
Cequel Communications LLC, Term Loan B, 4.00%, 2/14/19	474	472,827
Clear Channel Communications, Inc.:		
Term Loan B, 3.88%, 1/28/16	1,936	1,499,459
Term Loan C, 3.88%, 1/28/16	385	292,430
EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18	435	437,936
Intelsat Jackson Holdings SA, Tranche B Term Loan, 5.25%, 4/02/18	6,364	6,385,066
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	409	409,564
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	1,325	1,332,182
Thomson Reuters (Healthcare), Inc., Term Loan B, 6.75%, 6/06/19	375	377,655
Univision Communications, Inc., Extended Term Loan, 4.48%, 3/31/17	301	291,182
		13,446,538
<b>Metals &amp; Mining 0.2%</b>		
Constellium Holding Co. BV, Term Loan B, 9.25%, 5/25/18	430	421,400
<b>Oil, Gas &amp; Consumable Fuels 0.8%</b>		
Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	1,200	1,202,580
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	1,003	1,003,160
		2,205,740
<b>Paper &amp; Forest Products 0.6%</b>		
Ainsworth Lumber Co. Ltd., Term Loan, 5.25%, 6/26/14	390	377,325

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NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	600	605,628
Verso Paper Finance Holdings LLC, Term Loan, 6.49% 7.24%, 2/01/13	1,535	767,555
		1,750,508
<b>Pharmaceuticals 0.5%</b>		
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	985	981,306
Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	313	316,621
		1,297,927
	<b>Par (000)</b>	<b>Value</b>
<b>Floating Rate Loan Interests (d)</b>		
<b>Real Estate Investment Trusts (REITs) 0.4%</b>		
iStar Financial, Inc.:		
Term Loan A1, 5.00%, 6/28/13	USD 1,080	\$ 1,080,900
Term Loan A2, 7.00%, 6/30/14	5	5,005
		1,085,905
<b>Real Estate Management &amp; Development 0.4%</b>		
Realogy Corp.:		
Extended Letter of Credit Loan, 4.50%, 10/10/16	111	107,609
Extended Term Loan, 4.49%, 10/10/16	737	711,002
Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	185	184,075
		1,002,686
<b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>		
NXP BV, Term Loan A-2, 5.50%, 3/03/17	70	70,477
<b>Software 0.4%</b>		
Infor US, Inc. (FKA Lawson Software, Inc.), Term Loan B, 6.25%, 4/05/18	1,232	1,244,577
<b>Specialty Retail 0.1%</b>		
Claire s Stores, Inc., Term Loan B, 2.98% 3.20%, 5/29/14	387	380,054
<b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>		
Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	1,137	1,126,722
<b>Wireless Telecommunication Services 1.2%</b>		
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	49	49,414
Vodafone Americas Finance 2, Inc. (f):		
Term Loan, 6.88%, 8/11/15	1,938	2,015,700
Term Loan B, 6.25%, 7/11/16	1,341	1,367,437
		3,432,551
<b>Total Floating Rate Loan Interests 23.3%</b>		65,795,197

	<b>Beneficial Interest (000)</b>	
<b>Other Interests (k)</b>		
<b>Auto Components 0.0%</b>		
Lear Corp. Escrow	460,000	4,887
<b>Chemicals 0.0%</b>		
Wellman Holdings, Inc., Litigation Trust Certificate	2,830,000	28
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
Buffets, Inc. (a)	575,000	6
<b>Media 0.0%</b>		
Adelphia Escrow (a)	750,000	8
Adelphia Recovery Trust (a)	940,601	94
		102
<b>Total Other Interests 0.0%</b>		5,023

**Preferred Securities**

	<b>Par</b>	
<b>Capital Trusts 0.2%</b>	<b>(000)</b>	
<b>Insurance 0.2%</b>		
Genworth Financial, Inc., 6.15%, 11/15/66 (d)	865	519,000

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value
<b>Auto Components 0.7%</b>		
Dana Holding Corp., 4.00% (b)(e)	17,830	\$ 2,083,881
<b>Diversified Financial Services 1.5%</b>		
Ally Financial, Inc., 7.00% (b)	4,464	4,064,891
<b>Real Estate Investment Trusts (REITs) 0.1%</b>		
MPG Office Trust, Inc., Series A, 7.63% (a)	8,994	206,682
<b>Thriffs &amp; Mortgage Finance 0.0%</b>		
Fannie Mae, Series O, 7.00% (a)	30,000	36,000
Freddie Mac, Series Z, 8.38% (a)	75,961	70,644
		106,644
<b>Total Preferred Stocks 2.3%</b>		6,462,098
<b>Trust Preferreds</b>		
<b>Diversified Financial Services 0.9%</b>		
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b)	76,790	1,897,696
RBS Capital Funding Trust VII, 6.08% (a)(d)(i)(j)	26,500	497,060
<b>Total Trust Preferreds 0.9%</b>		2,394,756
<b>Total Preferred Securities 3.4%</b>		9,375,854
<b>Warrants (I)</b>		
<b>Containers &amp; Packaging 0.0%</b>		
MDP Acquisitions Plc (Expires 10/10/13)	700	29,437
<b>Health Care Providers &amp; Services 0.0%</b>		
HealthSouth Corp. (Expires 1/16/14)	32,042	
<b>Media 0.0%</b>		
New Vision Holdings LLC (Expires 9/30/14)	22	
<b>Software 0.0%</b>		
Bankruptcy Management Solutions, Inc. (Expires 9/28/17)	334	
HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)	1,164	
<b>Total Warrants 0.0%</b>		29,437
<b>Total Long-Term Investments</b>		
(Cost \$383,887,453) 138.9%		392,159,838
<b>Options Purchased</b>	<b>Contracts</b>	
<b>Over-the-Counter Call Options 0.0%</b>		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Group, Inc.	19	
<b>Total Options Purchased</b>		
(Cost \$18,578) 0.0%		
<b>Total Investments (Cost \$383,906,031) 138.9%</b>		392,159,838
<b>Liabilities in Excess of Other Assets (38.9%)</b>		(109,733,285)
<b>Net Assets 100.0%</b>		\$ 282,426,553

(a) Non-income producing security.

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

(c) All or a portion of security has been pledged as collateral in connection with swaps.

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

(e) Convertible security.

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

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

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

Counterparty	Value	Unrealized Appreciation
Goldman Sachs Group, inc.	\$ 1,639,238	\$ 20,238

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

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

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

(l) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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



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Affiliate	Shares Held at February 29, 2012	Net Activity	Shares Held at August 31, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class				\$ 444

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

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
117	S&P 500 E-Mini Index	Chicago Mercantile	September 2012	\$ 8,219,835	\$ (565,522)

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

Currency Purchased		Currency Sold		Counter party	Settle ment Date	Unrealized Appreciation (Depreciation)
GBP				Citigroup, Inc.	10/17/12	\$ 5,258
GBP	155,000	USD	240,823	UBS AG	10/17/12	1,724
USD	72,000	USD	112,584	Citigroup, Inc.	10/17/12	(1,412)
USD	74,743	AUD	74,000	UBS AG	10/17/12	(1,516)
USD	129,182	AUD	127,000	UBS AG	10/17/12	(81,423)
USD	2,776,254	CAD	2,819,500	UBS AG	10/17/12	(94,837)
USD	4,179,821	GBP	2,692,500	UBS AG	10/17/12	(915)
USD	73,703	GBP	47,000	UBS AG	10/17/12	(757)
USD	70,686	GBP	45,000	UBS AG	10/17/12	9,225
EUR	270,000	USD	330,556	Citigroup, Inc.	10/22/12	10,250
EUR	300,000	USD	367,285	Credit Suisse Group AG	10/22/12	9,256
EUR	292,000	USD	358,211	UBS AG	10/22/12	3,871
EUR	169,000	USD	208,807	Citigroup, Inc.	10/22/12	(488,108)
USD	18,442,105	EUR	15,042,500	Citigroup, Inc.	10/22/12	(5,752)
USD	242,162	EUR	197,000	Citigroup, Inc.	10/22/12	(5,443)
USD	422,430	EUR	340,000	Royal Bank of Scotland Group Plc	10/22/12	(120)
USD	106,848	EUR	85,000	UBS AG	10/22/12	(10,477)
USD	562,117	EUR	455,000	UBS AG	10/22/12	(5,193)
USD	262,857	EUR	213,000			

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

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

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

Currency Purchased		Currency Sold		Counter party	Settle ment Date	Unrealized Appreciation (Depreciation)
USD	255,542	EUR	207,000	UBS AG	10/22/12	\$ (4,957)
USD	132,758	EUR	108,000	UBS AG	10/22/12	(3,155)
USD	65,174	EUR	52,000	UBS AG	10/22/12	(266)
<b>Total</b>						\$ (664,747)

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

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 170	\$ (12,110)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 105	(7,783)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 85	(6,981)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 90	(4,594)
MGM Resorts International	5.00%	Deutsche Bank AG	6/20/15	\$ 90	(5,158)
Republic of Hungary	1.00%	Deutsche Bank AG	12/20/15	\$ 300	5,456
Israel (State of)	1.00%	Deutsche Bank AG	3/20/17	\$ 225	(5,043)
Israel Government Bond	1.00%	Deutsche Bank AG	3/20/17	\$ 675	(15,553)
<b>Total</b>					\$ (51,766)

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

Issuer	Receive Fixed Rate	Counter party	Expiration Date	Issuer Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Appreciation
Air Lease Corp.	5.00%	Goldman	2/14/13	NR	\$ 500	\$ 8,290
CIT Group, Inc.	5.00%	Sachs Group, Inc.	9/20/15	BB-	\$ 3,400	442,214

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Aramark Corp.	5.00%	Deutsche Bank AG Goldman Sachs Group, Inc.	3/20/16	B	\$	500	41,882
Aramark Corp.	5.00%	Goldman Sachs Group, Inc.	6/20/16	B	\$	300	25,338
Aramark Corp.	5.00%	Goldman Sachs Group, Inc.	6/20/16	B	\$	300	27,000
Aramark Corp.	5.00%	Credit Suisse Group AG	9/20/16	B	\$	125	14,934
Aramark Corp.	5.00%	Goldman Sachs Group, Inc.	9/20/16	B	\$	350	30,667
Aramark Corp.	5.00%	Goldman Sachs Group, Inc.	9/20/16	B	\$	125	14,522
Aramark Corp.	5.00%	Deutsche Bank AG	3/20/17	B	\$	200	13,202

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

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Appreciation
Crown Castle International Corp.	7.25%	Deutsche Bank AG	3/20/17	B-	\$ 470	\$ 6,699
Ford Motor Co.	5.00%	Deutsche Bank AG	3/20/17	BB+	\$ 1,500	66,071
Goodyear Tire & Rubber Co.	5.00%	Deutsche Bank AG	6/20/17	B+	\$ 310	14,445
Goodyear Tire & Rubber Co.	5.00%	Goldman Sachs Group, Inc.	6/20/17	B+	\$ 300	10,572
CCO Holdings LLC	8.00%	Deutsche Bank AG	9/20/17	BB-	\$ 1,600	130,344
Level 3 Communications, Inc.	5.00%	Goldman Sachs Group, Inc.	6/20/19	B-	\$ 1,000	27,335
<b>Total</b>						\$ 873,515

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

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

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

Index	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Series 18	5.00%	Credit Suisse Group AG	6/20/17	\$ 1,881	\$ (6,100)

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

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

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

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

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

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

See Notes to Consolidated Financial Statements.

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

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments:				
Long-Term Investments:				
Common Stocks	\$ 17,584,878	\$ 705,889	\$ 4,021,670	\$ 22,312,437
Corporate Bonds		290,263,669	4,378,221	294,641,890
Floating Rate Loan Interests		53,781,377	12,013,820	65,795,197
Other Interests	94		4,929	5,023
Preferred Securities	2,708,082	6,667,772		9,375,854
Warrants		29,437		29,437
<b>Total</b>	<b>\$ 20,293,054</b>	<b>\$ 351,448,144</b>	<b>\$ 20,418,640</b>	<b>\$ 392,159,838</b>

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments <sup>1</sup>				
<b>Assets:</b>				
Credit contracts		\$ 291,424	\$ 587,547	\$ 878,971
Foreign currency exchange contracts		39,584		39,584
<b>Liabilities:</b>				
Credit contracts		(63,322)		(63,322)
Equity contracts	\$ (565,522)			(565,522)
Foreign currency exchange contracts		(704,331)		(704,331)
<b>Total</b>	<b>\$ (565,522)</b>	<b>\$ (436,645)</b>	<b>\$ 587,547</b>	<b>\$ (414,620)</b>

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

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash	\$ 893,481			\$ 893,481
Cash pledged as collateral for financial futures contracts	533,000			533,000
Cash pledged as collateral for swaps	100,000			100,000
Foreign currency at value	229,653			229,653
<b>Liabilities:</b>				
Cash received as collateral for swaps		\$ (400,000)		(400,000)
Loan payable		(115,000,000)		(115,000,000)
<b>Total</b>	<b>\$ 1,756,134</b>	<b>\$ (115,400,000)</b>		<b>\$ (113,643,866)</b>

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As of February 29, 2012, the Fund used observable inputs in determining the value of certain equity securities. During the year, the Fund began valuing these securities using unadjusted price quotations from an exchange. As a result, investments with a beginning of period value of \$7,570,792 transferred from Level 2 to Level 1 in the disclosure hierarchy.

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

	Value	Valuation Techniques	Unobservable Inputs <sup>2</sup>	Range of Unobservable Inputs	Weighted Average of Unobservable Inputs <sup>3</sup>
<b>Assets:</b>					
Common Stocks	\$ 4,021,665	Market Comparable Companies	EBITDA Multiple	5.9x	5.9x
			Forward EBITDA Multiple	4.6x	4.6x
		Cost	N/A <sup>4</sup>		
Corporate Bonds	4,104,796	Market Comparable Companies	Yield	7.00% 9.67%	8.74%
			EBITDA Multiple	6.0x	6.0x
		Cost	N/A <sup>4</sup>		
Floating Rate Loan interests	3,503,071	Market Comparable Companies	Illiquidity Discount	50%	50%
			Yield	9.65%	9.65%
		Cost	N/A <sup>4</sup>		
<b>Total<sup>5</sup></b>	<b>\$ 11,629,532</b>				

<sup>2</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

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

See Notes to Consolidated Financial Statements.

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

<sup>3</sup> Unobservable inputs are weighted based on the value of the investments included in the range.

<sup>4</sup> The Fund fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

<sup>5</sup> Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Preferred Securities	Warrants	Total
<b>Assets/Liabilities:</b>							
Opening balance, as of February 29, 2012	\$ 4,322,217	\$ 4,458,734	\$ 9,295,244	\$ 4,642	\$ 352,582	\$ 1	\$ 18,433,420
Transfers into Level 3 <sup>1</sup>			2,542,871				2,542,871
Transfers out of Level 3 <sup>2</sup>	(38,470)		(219,217)				(257,687)
Accrued discounts/premiums		1,737	62,211				63,948
Net realized gain (loss)	(937,908)		(352,573)		(87,104)	(177,871)	(1,555,456)
Net change in unrealized appreciation/depreciation <sup>3</sup>	522,915	(55,811)	399,346	287	110,561	177,870	1,155,168
Purchases	152,928	56,611	1,732,804				1,942,343
Sales	(12)	(83,050)	(1,446,866)		(376,039)		(1,905,967)
<b>Closing Balance, as of August 31, 2012</b>	<b>\$ 4,021,670</b>	<b>\$ 4,378,221</b>	<b>\$ 12,013,820</b>	<b>\$ 4,929</b>			<b>\$ 20,418,640</b>

<sup>1</sup> As of February 29, 2012, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$2,542,871 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of February 29, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$257,687 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(373,524).

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

	Credit
	Contracts
<b>Assets/Liabilities:</b>	
Opening balance, as of February 29, 2012	\$ 237,861
Transfers into Level 3 <sup>4</sup>	
Transfers out of Level 3 <sup>4</sup>	
Accrued discounts/premiums	
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation <sup>5</sup>	349,686
Purchases	
Issuances <sup>6</sup>	
Sales	
Settlements <sup>7</sup>	
<b>Closing Balance, as of August 31, 2012</b>	<b>\$ 587,547</b>

<sup>4</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

<sup>5</sup> Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statement of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at August 31, 2012 was \$349,686.

<sup>6</sup> Issuances represent upfront cash received on certain derivative financial instruments.

<sup>7</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

See Notes to Consolidated Financial Statements.



**Table of Contents****Consolidated Schedule of Investments**

August 31, 2012 (Unaudited)

**BlackRock Debt Strategies Fund, Inc. (DSU)**  
(Percentages shown are based on Net Assets)

	<b>Par</b>	
<b>Asset-Backed Securities</b>	<b>(000)</b>	<b>Value</b>
CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 (a)	USD 625	\$ 631,500
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	765	679,779
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.81%, 10/27/20 (b)	940	791,950
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.66%, 4/17/22 (a)(b)	1,250	1,136,375
Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.85%, 11/15/17 (b)	1,980	1,751,706
Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b)(c)	1,200	1,107,600
ING Investment Management, Series 2012-2A, Class D, 4.99%, 10/15/22 (a)(b)	1,275	1,136,803
LCM LP (a)(b):		
Series 11A, Class D2, 4.41%, 4/19/22	1,300	1,137,500
Series 9A, Class E, 4.66%, 7/14/22	1,000	775,100
Symphony CLO Ltd. (a)(b):		
Series 2012-10A, Class D, 5.69%, 7/23/23	1,200	1,110,000
Series 2012-9A, Class D, 4.71%, 4/16/22	1,075	958,040
<b>Total Asset-Backed Securities 2.5%</b>		<b>11,216,353</b>
<b>Common Stocks (d)</b>	<b>Shares</b>	
<b>Chemicals 0.0%</b>		
GEO Specialty Chemicals, Inc.	339,340	156,096
<b>Containers &amp; Packaging 0.1%</b>		
Smurfit Kappa Plc	36,342	296,488
<b>Diversified Financial Services 0.9%</b>		
Kcad Holdings I Ltd.	590,545,406	3,915,907
<b>Electrical Equipment 0.0%</b>		
Medis Technologies Ltd.	286,757	860
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>		
HRP PIK Corp., Class B (a)	5,000	
<b>Metals &amp; Mining 0.1%</b>		
Euramax International	2,337	498,623
<b>Paper &amp; Forest Products 0.6%</b>		
Ainsworth Lumber Co. Ltd. (a)	1,237,553	2,711,757
Western Forest Products, Inc. (a)	211,149	229,195
		2,940,952
<b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>		
SunPower Corp.	1,707	7,647
<b>Software 0.3%</b>		
Bankruptcy Management Solutions, Inc.	1,870	19
HMH Holdings/EduMedia	52,041	1,275,011
		1,275,030
<b>Specialty Retail 0.0%</b>		
Movie Gallery, Inc.	503,737	5
<b>Total Common Stocks 2.0%</b>		<b>9,091,608</b>
<b>Corporate Bonds</b>	<b>Par</b>	<b>Value</b>

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	(000)	
<b>Aerospace &amp; Defense 0.6%</b>		
Huntington Ingalls Industries, Inc., 7.13%, 3/15/21	USD 810	\$ 876,825
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	1,364	1,452,660
Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (a)	405	366,463
		2,695,948
<b>Airlines 0.1%</b>		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	611	648,085
Delta Air Lines, Inc., Series 2009-1-B, 9.75%, 6/17/18	176	190,113
		838,198
<b>Auto Components 1.5%</b>		
Delphi Corp., 6.13%, 5/15/21	560	616,000
Icahn Enterprises LP: 7.75%, 1/15/16	220	231,000
8.00%, 1/15/18	4,035	4,297,275
Jaguar Land Rover Plc, 8.25%, 3/15/20	GBP 392	656,522
Titan International, Inc., 7.88%, 10/01/17	USD 940	984,650
Venture Holdings Co. LLC (d)(e): 12.00%, 7/01/49	4,450	1
Series B, 9.50%, 7/01/05	1,800	
		6,785,448
<b>Beverages 0.2%</b>		
Crown European Holdings SA: 7.13%, 8/15/18 (a)	EUR 304	420,608
7.13%, 8/15/18	257	355,580
Refresco Group BV, 7.38%, 5/15/18	213	251,837
		1,028,025
<b>Biotechnology 0.0%</b>		
QHP Royalty Sub LLC, 10.25%, 3/15/15 (a)	USD 45	44,770
<b>Building Products 0.6%</b>		
Building Materials Corp. of America (a): 7.00%, 2/15/20	1,000	1,082,500
6.75%, 5/01/21	590	644,575
USG Corp., 9.75%, 1/15/18	980	1,051,050
		2,778,125
<b>Capital Markets 0.7%</b>		
E*Trade Financial Corp.: 12.50%, 11/30/17 (f)	1,765	2,014,306
2.25%, 8/31/19 (a)(g)(h)	593	507,015
KKR Group Finance Co. LLC, 6.38%, 9/29/20 (a)	540	611,254
		3,132,575
<b>Chemicals 4.9%</b>		
Ashland, Inc., 4.75%, 8/15/22 (a)	475	476,188
Celanese US Holdings LLC, 5.88%, 6/15/21	1,415	1,563,575
GEO Specialty Chemicals, Inc. (a): 7.50%, 3/31/15 (f)(h)	4,171	5,004,944
10.00%, 3/31/15	4,106	4,105,600
Hexion US Finance Corp.: 6.63%, 4/15/20	895	903,950
9.00%, 11/15/20	670	572,850
Huntsman International LLC, 8.63%, 3/15/21	735	841,575
INEOS Finance Plc (a): 8.38%, 2/15/19	1,470	1,547,175
7.50%, 5/01/20	365	372,300
INEOS Group Holdings Plc, 8.50%, 2/15/16 (a)	240	226,200

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See Notes to Consolidated Financial Statements.

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SEMI-ANNUAL REPORT

AUGUST 31, 2012

**Table of Contents****Consolidated Schedule of Investments  
(continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

	<b>Par</b>		<b>Value</b>
<b>Corporate Bonds</b>	<b>(000)</b>		
<b>Chemicals (concluded)</b>			
LyondellBasell Industries NV:			
6.00%, 11/15/21	USD 930		\$ 1,060,200
5.75%, 4/15/24	1,775		2,010,187
NOVA Chemicals Corp., 8.63%, 11/01/19	570		649,800
Orion Engineered Carbons Bondco GmbH, 9.63%, 6/15/18 (a)	800		844,000
Tronox Finance LLC, 6.38%, 8/15/20 (a)	2,035		2,055,350
			<b>22,233,894</b>
<b>Commercial Banks 0.9%</b>			
CIT Group, Inc.:			
7.00%, 5/02/16 (a)	1,556		1,559,880
5.00%, 5/15/17	620		646,350
5.50%, 2/15/19 (a)	1,430		1,490,775
5.00%, 8/15/22	480		483,636
			<b>4,180,641</b>
<b>Commercial Services &amp; Supplies 1.3%</b>			
ARAMARK Holdings Corp., 8.63%, 5/01/16 (a)(f)	625		639,850
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)	757		798,323
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	55		55,550
Clean Harbors, Inc., 5.25%, 8/01/20 (a)	427		438,209
Covanta Holding Corp., 6.38%, 10/01/22	800		874,698
The Geo Group, Inc., 7.75%, 10/15/17	850		921,187
Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (a)	617		652,477
Mobile Mini, Inc., 7.88%, 12/01/20	640		686,400
Verisure Holding AB:			
8.75%, 9/01/18	EUR 400		503,120
8.75%, 12/01/18	149		165,860
West Corp., 8.63%, 10/01/18	USD 315		319,725
			<b>6,055,399</b>
<b>Communications Equipment 0.8%</b>			
Avaya, Inc., 9.75%, 11/01/15	360		312,300
Hughes Satellite Systems Corp., 6.50%, 6/15/19	720		771,300
Zayo Group LLC/Zayo Capital, Inc.:			
8.13%, 1/01/20	1,320		1,402,500
10.13%, 7/01/20	1,020		1,093,950
			<b>3,580,050</b>
<b>Construction Materials 0.5%</b>			
HD Supply, Inc., 8.13%, 4/15/19 (a)	2,080		2,256,800
<b>Consumer Finance 0.1%</b>			
Ford Motor Credit Co. LLC:			
7.00%, 4/15/15	280		311,691
6.63%, 8/15/17	148		170,138
			<b>481,829</b>
<b>Containers &amp; Packaging 1.5%</b>			
Ardagh Packaging Finance Plc:			

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7.38%, 10/15/17	EUR	100	133,012
7.38%, 10/15/17 (a)		385	512,098
7.38%, 10/15/17		100	133,012
7.38%, 10/15/17 (a)	USD	206	220,678
9.13%, 10/15/20 (a)		300	312,000
Ball Corp., 6.75%, 9/15/20		625	690,625
Berry Plastics Corp.:			
4.34%, 9/15/14 (b)		495	487,575
8.25%, 11/15/15		655	689,388
9.75%, 1/15/21		475	526,063
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR	1,243	1,532,176
Sealed Air Corp. (a):			
8.13%, 9/15/19	USD	770	856,625

Par

<b>Corporate Bonds</b>		<b>(000)</b>	<b>Value</b>
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**Containers & Packaging (concluded)**

Sealed Air Corp. (a) (concluded) :			
8.38%, 9/15/21	USD	150	\$ 168,750
Smurfit Kappa Acquisitions, 7.75%, 11/15/19	EUR	390	537,143

6,799,145

**Distributors 0.2%**

VWR Funding, Inc., 7.25%, 9/15/17 (a)(c)	USD	725	734,063
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**Diversified Consumer Services 0.2%**

Laureate Education, Inc., 9.25%, 9/01/19 (a)		585	585,000
ServiceMaster Co., 8.00%, 2/15/20		235	250,569

835,569

**Diversified Financial Services 3.0%**

Ally Financial, Inc.:			
7.50%, 12/31/13		90	96,188
8.30%, 2/12/15		1,330	1,476,300
7.50%, 9/15/20		1,990	2,278,550
8.00%, 11/01/31		2,460	2,908,950
8.00%, 11/01/31		1,030	1,222,604
Archemedes Funding III Ltd., 5.50%, 11/29/12		1,829	
CNG Holdings, Inc., 9.38%, 5/15/20 (a)		490	499,800
DPL, Inc., 7.25%, 10/15/21 (a)		180	205,200
Gala Group Finance Plc, 8.88%, 9/01/18	GBP	200	296,134
Reynolds Group Issuer, Inc.:			
7.75%, 10/15/16	EUR	350	454,537
7.13%, 4/15/19	USD	1,070	1,152,925
9.88%, 8/15/19		1,845	1,951,087
6.88%, 2/15/21		665	719,863
8.25%, 2/15/21		155	152,288
WMG Acquisition Corp., 9.50%, 6/15/16		200	218,500

13,632,926

**Diversified Telecommunication Services 1.8%**

ITC Deltacom, Inc., 10.50%, 4/01/16		1,010	1,088,275
Level 3 Communications, Inc., 8.88%, 6/01/19 (a)		520	530,400
Level 3 Financing, Inc.:			
4.47%, 2/15/15 (b)		2,420	2,395,800
8.13%, 7/01/19		2,902	3,039,845
7.00%, 6/01/20 (a)		460	457,700
OTE Plc, 5.00%, 8/05/13	EUR	88	95,935
Telefonica Emisiones SAU, 4.69%, 11/11/19		50	58,042
Telenet Finance V Luxembourg SCA:			
6.25%, 8/15/22		119	150,427
6.75%, 8/15/24		222	283,420

8,099,844

**Electric Utilities 0.1%**

Mirant Mid Atlantic Pass Through Trust, Series B, 9.13%, 6/30/17	USD	475	510,534
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**Electrical Equipment 0.1%**

Belden, Inc., 5.50%, 9/01/22 (a)		360	360,900
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<b>Electronic Equipment, Instruments &amp; Components 0.0%</b>		
Muzak Holdings LLC, 13.00%, 3/15/10 (d)(e)	2,675	
<b>Energy Equipment &amp; Services 2.5%</b>		
Calfrac Holdings LP, 7.50%, 12/01/20 (a)	1,680	1,646,400
Compagnie Générale de Géophysique, Veritas, 6.50%, 6/01/21	2,100	2,186,625
FTS International Services LLC / FTS International Bonds Inc., 8.13%, 11/15/18 (a)	1,190	1,228,675
Gulfmark Offshore, Inc., 6.38%, 3/15/22 (a)	130	132,600
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20	265	270,300
Key Energy Services, Inc., 6.75%, 3/01/21	740	752,950
MEG Energy Corp. (a):		
6.50%, 3/15/21	950	999,875
6.38%, 1/30/23	315	328,388
Oil States International, Inc., 6.50%, 6/01/19	475	504,687

See Notes to Consolidated Financial Statements.

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

	<b>Par</b>		<b>Value</b>
<b>Corporate Bonds</b>	<b>(000)</b>		
<b>Energy Equipment &amp; Services (concluded)</b>			
Peabody Energy Corp., 6.25%, 11/15/21 (a)	USD 2,045		\$ 2,080,787
Precision Drilling Corp.:			
6.63%, 11/15/20	125		131,250
6.50%, 12/15/21	840		882,000
			11,144,537
<b>Food &amp; Staples Retailing 0.1%</b>			
Bakkavor Finance 2 Plc, 8.25%, 2/15/18	GBP 100		139,731
Rite Aid Corp., 9.25%, 3/15/20	USD 435		446,962
			586,693
<b>Food Products 0.4%</b>			
Constellation Brands, Inc., 6.00%, 5/01/22	460		516,925
Post Holdings, Inc., 7.38%, 2/15/22 (a)	465		489,994
Smithfield Foods, Inc., 6.63%, 8/15/22	687		703,316
			1,710,235
<b>Health Care Equipment &amp; Supplies 0.6%</b>			
Biomet, Inc., 6.50%, 8/01/20 (a)	523		542,612
DJO Finance LLC:			
10.88%, 11/15/14	284		296,425
8.75%, 3/15/18 (a)	215		228,438
7.75%, 4/15/18	770		704,550
Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (a)	640		680,000
Teleflex, Inc., 6.88%, 6/01/19	475		508,250
			2,960,275
<b>Health Care Providers &amp; Services 3.5%</b>			
Aviv Healthcare Properties LP, 7.75%, 2/15/19	700		728,000
CHS/Community Health Systems, Inc.:			
5.13%, 8/15/18	345		355,781
7.13%, 7/15/20	333		348,818
Crown Newco 3 Plc:			
7.00%, 2/15/18 (a)	GBP 108		172,774
7.00%, 2/15/18	194		310,353
DaVita, Inc., 5.75%, 8/15/22	USD 686		713,440
HCA, Inc.:			
6.50%, 2/15/20	2,020		2,219,475
7.88%, 2/15/20	1,210		1,350,662
5.88%, 3/15/22	2,380		2,531,725
Hologic, Inc., 6.25%, 8/01/20 (a)	977		1,034,399
IASIS Healthcare LLC, 8.38%, 5/15/19	1,243		1,185,511
Omnicare, Inc., 7.75%, 6/01/20	1,310		1,444,275
Tenet Healthcare Corp., 8.88%, 7/01/19	2,305		2,621,937
United Surgical Partners International, Inc., 9.00%, 4/01/20 (a)	330		354,338
Vanguard Health Holding Co. II LLC, 7.75%, 2/01/19 (a)	565		589,013
			15,960,501
<b>Health Care Technology 0.8%</b>			
IMS Health, Inc., 12.50%, 3/01/18 (a)	3,205		3,765,875
<b>Hotels, Restaurants &amp; Leisure 2.3%</b>			

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Affinity Gaming LLC/Affinity Gaming Finance Corp., 9.00%, 5/15/18 (a)	235	239,112
Caesars Entertainment Operating Co., Inc.:		
11.25%, 6/01/17	770	829,675
10.00%, 12/15/18	518	326,340
8.50%, 2/15/20 (a)	880	867,900
Caesars Operating Escrow LLC, 9.00%, 2/15/20 (a)	1,343	1,336,285
Carlson Wagonlit BV, 6.88%, 6/15/19 (a)	260	270,400
Choice Hotels International, Inc., 5.75%, 7/01/22	170	182,325
Cirsa Funding Luxembourg SA, 8.75%, 5/15/18	EUR 1,679	1,853,145
Diamond Resorts Corp., 12.00%, 8/15/18	USD 1,040	1,106,300
Gategroup Finance Luxembourg SA, 6.75%, 3/01/19	EUR 235	302,233

Par

Corporate Bonds	(000)	Value
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**Hotels, Restaurants & Leisure (concluded)**

HRP Myrtle Beach Holdings LLC, 14.50%, 4/01/14 (a)(d)(e)	USD 6,892	\$ 1
HRP Myrtle Beach Operations LLC (a)(d)(e):		
0.00%, 4/01/12	5,000	1
12.50%, 4/01/13	5,000	1
Little Traverse Bay Bands of Odawa Indians, 9.00%, 8/31/20 (a)	609	554,190
Travelport LLC:		
5.09%, 9/01/14 (b)	1,770	1,256,700
9.88%, 9/01/14	390	310,050
Tropicana Entertainment LLC, 9.63%, 12/15/14 (d)(e)	530	
Wynn Las Vegas LLC, 5.38%, 3/15/22 (a)	888	907,980

10,342,638

**Household Durables 0.7%**

Beazer Homes USA, Inc., 6.63%, 4/15/18 (a)	640	654,400
Libbey Glass, Inc., 6.88%, 5/15/20 (a)	175	186,594
Spie BondCo 3 SCA, 11.00%, 8/15/19	EUR 244	311,506
Standard Pacific Corp., 8.38%, 1/15/21	USD 1,685	1,878,775

3,031,275

**Household Products 0.0%**

Ontex IV SA, 9.00%, 4/15/19	EUR 110	127,289
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**Independent Power Producers & Energy Traders 3.5%**

The AES Corp.:		
7.75%, 10/15/15	USD 300	339,000
9.75%, 4/15/16	1,305	1,559,475
7.38%, 7/01/21	130	148,850
Calpine Corp. (a):		
7.25%, 10/15/17	920	984,400
7.50%, 2/15/21	365	405,150
Energy Future Holdings Corp., 10.00%, 1/15/20	2,315	2,552,287
Energy Future Intermediate Holding Co. LLC:		
10.00%, 12/01/20	6,060	6,802,350
11.75%, 3/01/22 (a)	470	500,550
GenOn REMA LLC, 9.24%, 7/02/17	392	421,486
Laredo Petroleum, Inc.:		
9.50%, 2/15/19	1,210	1,373,350
7.38%, 5/01/22	360	387,000
QEP Resources, Inc., 5.38%, 10/01/22	335	343,375

15,817,273

**Industrial Conglomerates 1.6%**

Sequa Corp. (a):		
11.75%, 12/01/15	2,850	2,992,500
13.50%, 12/01/15	4,023	4,264,216

7,256,716

**Insurance 0.6%**

CNO Financial Group, Inc., 9.00%, 1/15/18 (a)	1,649	1,803,594
Genworth Financial, Inc., 7.63%, 9/24/21	700	715,260
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)	415	371,425



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		2,890,279
<b>IT Services 1.2%</b>		
Ceridian Corp., 8.88%, 7/15/19 (a)	980	1,051,050
Epicor Software Corp., 8.63%, 5/01/19	720	741,600
<b>First Data Corp.:</b>		
7.38%, 6/15/19 (a)	835	862,137
6.75%, 11/01/20 (a)	870	863,475
8.25%, 1/15/21 (a)	535	530,319
12.63%, 1/15/21	764	773,550
SunGard Data Systems, Inc., 7.63%, 11/15/20	600	643,500
		5,465,631

See Notes to Consolidated Financial Statements.

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Consolidated Schedule of Investments (continued)

**BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

	<b>Par</b>		<b>Value</b>
<b>Corporate Bonds</b>	<b>(000)</b>		
<b>Machinery 0.9%</b>			
UR Financing Escrow Corp. (a):			
5.75%, 7/15/18	USD 877		\$ 927,427
7.38%, 5/15/20	565		598,900
7.63%, 4/15/22	2,328		2,514,240
			4,040,567
<b>Media 5.6%</b>			
AMC Networks, Inc., 7.75%, 7/15/21	365		413,363
Cengage Learning Acquisitions, Inc., 11.50%, 4/15/20 (a)	815		857,787
Checkout Holding Corp., 16.03%, 11/15/15 (a)(g)	1,090		664,900
Cinemark USA, Inc., 8.63%, 6/15/19	410		459,200
Clear Channel Communications, Inc., 9.00%, 3/01/21	617		529,078
Clear Channel Worldwide Holdings, Inc.:			
Series A, 9.25%, 12/15/17	639		691,717
Series B, 9.25%, 12/15/17	5,512		5,987,410
Series B, 7.63%, 3/15/20	1,677		1,626,690
DISH DBS Corp., 5.88%, 7/15/22 (a)	1,440		1,450,800
Intelsat Jackson Holdings SA:			
11.25%, 6/15/16	182		191,555
7.25%, 10/15/20 (a)	1,370		1,476,175
Intelsat Luxembourg SA:			
11.25%, 2/04/17	250		262,500
11.50%, 2/04/17 (f)	1,190		1,249,500
Interactive Data Corp., 10.25%, 8/01/18	1,545		1,741,987
Lamar Media Corp., 5.88%, 2/01/22	480		508,800
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	920		1,025,800
Nielsen Finance LLC, 7.75%, 10/15/18	1,235		1,389,375
ProQuest LLC, 9.00%, 10/15/18 (a)	415		380,763
Truven Health Analytics, Inc., 10.63%, 6/01/20 (a)	380		405,650
Unitymedia Hessen GmbH & Co. KG:			
8.13%, 12/01/17 (a)	2,730		2,955,225
7.50%, 3/15/19	1,040		1,125,301
Ziggo Finance BV, 6.13%, 11/15/17 (a)	EUR 51		68,478
			25,462,054
<b>Metals &amp; Mining 1.5%</b>			
Eco-Bat Finance Plc, 7.75%, 2/15/17	305		387,465
FMG Resources August 2006 Property Ltd. (a):			
6.88%, 2/01/18	USD 640		609,600
6.88%, 4/01/22	290		266,800
Global Brass and Copper, Inc., 9.50%, 6/01/19 (a)	485		510,463
Kaiser Aluminum Corp., 8.25%, 6/01/20 (a)	360		381,600
New Gold, Inc., 7.00%, 4/15/20 (a)	120		126,300
Novelis, Inc., 8.75%, 12/15/20	3,625		4,050,938
RathGibson, Inc., 11.25%, 2/15/14 (d)(e)	4,440		
Schmolz + Bickenbach Luxembourg SA, 9.88%, 5/15/19	EUR 260		264,075
Steel Dynamics, Inc., 6.38%, 8/15/22 (a)	USD 390		403,650
			7,000,891

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<b>Multiline Retail 0.1%</b>		
Dollar General Corp., 4.13%, 7/15/17	241	250,640
<b>Oil, Gas &amp; Consumable Fuels 7.4%</b>		
Access Midstream Partners LP, 6.13%, 7/15/22	785	814,437
Alpha Natural Resources, Inc.:		
6.00%, 6/01/19	460	414,000
6.25%, 6/01/21	345	308,775
Berry Petroleum Co., 6.38%, 9/15/22	340	362,100
CCS, Inc., 11.00%, 11/15/15 (a)	920	952,200
Chaparral Energy, Inc., 7.63%, 11/15/22 (a)	215	227,363
Chesapeake Energy Corp.:		
7.25%, 12/15/18	45	47,138
6.63%, 8/15/20	500	513,750
6.88%, 11/15/20	285	295,688
	<b>Par</b>	
<b>Corporate Bonds (000) Value</b>		
<b>Oil, Gas &amp; Consumable Fuels (concluded)</b>		
Chesapeake Energy Corp. (concluded) :		
6.13%, 2/15/21	USD 435	\$ 431,737
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	191	203,415
Concho Resources, Inc., 5.50%, 10/01/22	395	407,837
Consol Energy, Inc.:		
8.25%, 4/01/20	2,145	2,311,237
6.38%, 3/01/21	440	435,600
Crosstex Energy LP:		
8.88%, 2/15/18	100	106,750
7.13%, 6/01/22 (a)	370	368,150
Denbury Resources, Inc., 8.25%, 2/15/20	50	56,750
Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19	1,300	1,381,250
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (a)	440	471,900
Hilcorp Energy I LP, 7.63%, 4/15/21 (a)	2,100	2,310,000
Holly Energy Partners LP, 6.50%, 3/01/20 (a)	150	156,750
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a)	605	642,812
Linn Energy LLC:		
6.25%, 11/01/19 (a)	2,780	2,745,250
8.63%, 4/15/20	360	388,800
7.75%, 2/01/21	930	969,525
MarkWest Energy Partners LP, 5.50%, 2/15/23	275	281,188
Newfield Exploration Co.:		
5.75%, 1/30/22	255	279,225
5.63%, 7/01/24	1,200	1,302,000
Northern Oil and Gas, Inc., 8.00%, 6/01/20 (a)	505	515,100
Oasis Petroleum, Inc.:		
7.25%, 2/01/19	270	284,850
6.50%, 11/01/21	290	295,800
Offshore Group Investments Ltd.:		
11.50%, 8/01/15	840	928,200
11.50%, 8/01/15 (a)	800	884,000
OGX Petroleo e Gas Participacoes SA (a):		
8.50%, 6/01/18	1,324	1,175,050
8.38%, 4/01/22	565	480,250
PetroBakken Energy Ltd., 8.63%, 2/01/20 (a)	1,240	1,267,900
Pioneer Natural Resources Co., 7.20%, 1/15/28	1,080	1,371,966
Range Resources Corp.:		
5.75%, 6/01/21	1,230	1,308,412
5.00%, 8/15/22	547	569,564
Sabine Pass Liquefied Natural Gas LP,		
7.50%, 11/30/16	1,015	1,086,050
Samson Investment Co., 9.75%, 2/15/20 (a)	76	78,280
SandRidge Energy, Inc.:		
7.50%, 3/15/21 (a)	305	308,813
7.50%, 3/15/21	225	227,813
8.13%, 10/15/22 (a)	205	214,225
7.50%, 2/15/23 (a)	535	537,675
SESI LLC:		
6.38%, 5/01/19	530	561,800

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7.13%, 12/15/21	525	584,062
SM Energy Co.:		
6.50%, 11/15/21	425	444,125
6.50%, 1/01/23 (a)	200	208,500
Targa Resources Partners LP, 6.88%, 2/01/21	370	397,750
Titan Petrochemicals Group Ltd.,		
8.50%, 3/18/49 (d)(e)	1,760	440,000
		33,355,812
<b>Paper &amp; Forest Products 0.6%</b>		
Clearwater Paper Corp., 10.63%, 6/15/16	640	715,200
Longview Fibre Paper & Packaging, Inc.,		
8.00%, 6/01/16 (a)	280	289,800
NewPage Corp., 11.38%, 12/31/14 (d)(e)	2,280	1,544,700
Sappi Papier Holding GmbH, 8.38%, 6/15/19 (a)	200	210,500
		2,760,200

See Notes to Consolidated Financial Statements.

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**Table of Contents****Consolidated Schedule of Investments (continued)****BlackRock Debt Strategies Fund, Inc. (DSU)**

(Percentages shown are based on Net Assets)

	<b>Par</b>	<b>Value</b>
<b>Corporate Bonds</b>	<b>(000)</b>	
<b>Pharmaceuticals 0.4%</b>		
Valeant Pharmaceuticals International (a):		
6.50%, 7/15/16	USD 990	\$ 1,044,450
7.25%, 7/15/22	660	681,450
		1,725,900
<b>Real Estate Investment Trusts (REITs) 0.4%</b>		
Felcor Lodging LP, 6.75%, 6/01/19	1,575	1,689,188
<b>Real Estate Management &amp; Development 1.2%</b>		
Realogy Corp.:		
11.50%, 4/15/17	275	292,187
12.00%, 4/15/17	160	167,600
7.88%, 2/15/19 (a)	1,760	1,812,800
7.63%, 1/15/20 (a)	1,190	1,297,100
9.00%, 1/15/20 (a)	310	334,800
Shea Homes LP, 8.63%, 5/15/19	1,240	1,379,500
		5,283,987
<b>Road &amp; Rail 0.9%</b>		
Florida East Coast Railway Corp., 8.13%, 2/01/17	370	388,500
The Hertz Corp.:		
7.50%, 10/15/18	1,490	1,607,337
6.75%, 4/15/19	265	278,250
6.75%, 4/15/19 (a)	285	299,250
7.38%, 1/15/21	1,280	1,392,000
		3,965,337
<b>Software 0.8%</b>		
Infor US, Inc., 9.38%, 4/01/19 (a)	2,420	2,619,650
Nuance Communications, Inc., 5.38%, 8/15/20 (a)	1,225	1,252,563
		3,872,213
<b>Specialty Retail 0.6%</b>		
Claire's Stores, Inc., 9.00%, 3/15/19 (a)	430	446,125
Party City Holdings, Inc., 8.88%, 8/01/20 (a)	422	446,265
Penske Automotive Group, Inc., 5.75%, 10/01/22 (a)	495	504,900
QVC, Inc., 5.13%, 7/02/22 (a)	260	272,517
Sally Holdings LLC:		
6.88%, 11/15/19	650	726,375
5.75%, 6/01/22	300	322,875
		2,719,057
<b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>		
Levi Strauss & Co., 6.88%, 5/01/22	265	274,938
PVH Corp., 7.75%, 11/15/23	410	478,346
		753,284
<b>Trading Companies &amp; Distributors 0.5%</b>		
Doric Nimrod Air Finance Alpha Ltd. (a):		
Series 2012-1, Class A, 5.13%, 11/30/24	1,190	1,207,850
Series 2012-1, Class B, 6.50%, 5/30/21	940	951,111
		2,158,961

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<b>Transportation Infrastructure</b>	<b>0.1%</b>		
Aguila 3 SA, 7.88%, 1/31/18 (a)		353	371,974
<b>Wireless Telecommunication Services</b>	<b>4.0%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16		3,050	3,217,750
Digicel Group Ltd. (a):			
9.13%, 1/15/15		3,948	3,987,480
8.25%, 9/01/17		810	858,600
10.50%, 4/15/18		400	432,000
MetroPCS Wireless, Inc., 6.63%, 11/15/20		690	714,150
SBA Telecommunications, Inc., 5.75%, 7/15/20 (a)		230	240,350
Sprint Capital Corp., 6.88%, 11/15/28		1,720	1,556,600
Sprint Nextel Corp. (a):			
9.00%, 11/15/18		4,260	5,026,800
7.00%, 3/01/20		1,770	1,938,150
			17,971,880
<b>Total Corporate Bonds</b>	<b>62.1%</b>		281,505,845
<b>Floating Rate Loan Interests (b)</b>			