

BLACKROCK INCOME TRUST INC  
Form N-CSRS  
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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 811-05542

Name of Fund: BlackRock Income Trust, Inc. (BKT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Income Trust, 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: 08/31/2011

Date of reporting period: 02/28/2011

Item 1 Report to Stockholders

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February 28, 2011

## Semi-Annual Report (Unaudited)

BlackRock Core Bond Trust (BHK)

BlackRock Corporate High Yield Fund V, Inc. (HYV)

BlackRock Corporate High Yield Fund VI, Inc. (HYT)

BlackRock High Income Shares (HIS)

BlackRock High Yield Trust (BHY)

BlackRock Income Opportunity Trust, Inc. (BNA)

BlackRock Income Trust, Inc. (BKT)

BlackRock Strategic Bond Trust (BHD)

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

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**Dear Shareholder**

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

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

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

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

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

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

| <b>Total returns as of February 28, 2011</b>  | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| US large cap equities (S&P 500 Index)   | 27.73%         | 22.57%          |
| US small cap equities (Russell 2000 Index)  | 37.55          | 32.60           |
| International equities (MSCI Europe, Australasia, Far East Index)                     | 23.77          | 20.00           |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)                | 0.07           | 0.14            |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)                 | (6.04)         | 4.76            |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index)                  | (0.83)         | 4.93            |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)                    | (3.51)         | 1.72            |
| US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 10.05          | 17.34           |

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

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

Sincerely,

Rob Kapito  
President, BlackRock Advisors, LLC

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THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of February 28, 2011

**BlackRock Core Bond Trust**

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**Investment Objective**

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**BlackRock Core Bond Trust's (BHK) (the Trust)** investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust's investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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**Portfolio Management Commentary**

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**How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned (8.46)% based on market price and (1.21)% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of (0.83)% based on market price and 2.73% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The largest individual factor impacting the Trust's performance relative to its Lipper category competitors, many of which carry a lower average credit quality and/or a higher allocation to spread assets (those driven by movements in credit risk), is the Trust's high-quality bias. This bias hurt performance for the period as spread sectors and lower-quality risk assets generally outperformed US Treasuries and government-related assets. In addition, the Trust carried a higher duration (sensitivity to interest rates) relative to its Lipper category average, which detracted from relative performance as interest rates rose significantly in the fourth quarter of 2010.

Contributing positively to performance on an absolute basis was the Trust's exposure to non-government spread sectors, such as investment grade credit, non-agency residential mortgage-backed securities (MBS) and asset-backed securities (ABS). Also contributing positively were allocations to high yield corporate credit and commercial mortgage-backed securities (CMBS), which were among the best performing fixed income sectors during the period.

The Trust engaged in financial futures contracts and interest rate options (swaptions) for purposes of hedging and managing risks related to duration and yield curve positioning. As interest rates rose during the period, the Trust's interest rate options (swaptions) had a positive impact on performance while financial futures contracts detracted.

**Describe recent portfolio activity.**

During the period, the Trust gradually increased its use of leverage and added exposure to corporate credit and high-quality securitized debt, including CMBS and ABS. In addition, the Trust reduced its duration during the period.

**Describe portfolio positioning at period end.**

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, ABS and non-agency residential MBS. The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS.

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

## BlackRock Core Bond Trust

## Trust Information

|  |                   |
|--|-------------------|
| Symbol on New York Stock Exchange ( NYSE )                                   | BHK               |
| Initial Offering Date  | November 27, 2001 |
| Yield on Closing Market Price as of February 28, 2011 (\$12.28) <sup>1</sup> | 6.55%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.067           |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.804           |
| Leverage as of February 28, 2011 <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 reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11  | 8/31/10  | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 12.28 | \$ 13.92 | (11.78)% | \$ 13.99 | \$ 12.00 |
| Net Asset Value | \$ 13.51 | \$ 14.19 | (4.79)%  | \$ 14.30 | \$ 13.19 |

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

## Portfolio Composition

|   | 2/28/11 | 8/31/10 |
|---|---------|---------|
| Corporate Bonds                             | 38%     | 38%     |
| U.S. Government Sponsored Agency Securities | 32      | 23      |
| U.S. Treasury Obligations                   | 14      | 19      |
| Non-Agency Mortgage-Backed Securities       | 10      | 10      |
| Asset-Backed Securities                     | 3       | 5       |
| Taxable Municipal Bonds                     | 1       | 2       |
| Foreign Agency Obligations                  | 1       | 2       |



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Preferred Securities

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Credit Quality Allocations<sup>4</sup>

|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| AAA/Aaa5  | 51%     | 43%     |
| AA/Aa     | 7       | 11      |
| A         | 11      | 17      |
| BBB/Baa   | 10      | 11      |
| BB/Ba     | 7       | 8       |
| B         | 10      | 7       |
| CCC/Caa   | 3       | 2       |
| Not Rated | 1       | 1       |

<sup>4</sup> Using the higher of Standard & Poor's Corporation (S&P's) or Moody's Investors Service, Inc. (Moody's) ratings.

<sup>5</sup> Includes US Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

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Trust Summary as of February 28, 2011

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

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### **Investment Objective**

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

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

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### **Portfolio Management Commentary**

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#### **How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 8.59% based on market price and 14.21% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

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

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

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

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

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

At period end, the Trust held 80% of its total portfolio in corporate bonds, 12% in floating rate loan interests, 6% in common stocks and 2% in preferred stocks. Cash positions were negligible for most of the period. The Trust ended the period with leverage at approximately

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24% of its total managed assets.

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## BlackRock Corporate High Yield Fund V, Inc.

## Trust Information

|  |                   |
|--|-------------------|
| Symbol on NYSE   | HYY               |
| Initial Offering Date  | November 30, 2001 |
| Yield on Closing Market Price as of February 28, 2011 (\$11.81) <sup>1</sup> | 8.38%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.0825          |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.9900          |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 24%               |

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

<sup>2</sup> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Share was increased to \$0.085. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11  | 8/31/10  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 11.81 | \$ 11.40 | 3.60%  | \$ 11.94 | \$ 10.56 |
| Net Asset Value | \$ 12.65 | \$ 11.61 | 8.96%  | \$ 12.69 | \$ 11.61 |

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

## Portfolio Composition

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 80%     | 80%     |
| Floating Rate Loan Interests | 12      | 15      |
| Common Stocks                | 4       | 2       |
| Preferred Stocks             | 2       | 1       |
| Other Interests              | 2       | 2       |

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

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|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| BBB/Baa   | 4%      | 3%      |
| BB/Ba     | 31      | 35      |
| B         | 46      | 46      |
| CCC/Caa   | 14      | 11      |
| CC/Ca     |         | 1       |
| Not Rated | 5       | 4       |

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

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Trust Summary as of February 28, 2011

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

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### **Investment Objective**

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**BlackRock Corporate High Yield Fund VI, Inc. s (HYT) (the Trust )** primary investment objective is to provide shareholders with current income. The Trust s secondary investment objective is to provide shareholders with capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in domestic and foreign high yield securities, including high yield bonds (commonly referred to as junk bonds), corporate loans, convertible debt securities and preferred securities which are below investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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### **Portfolio Management Commentary**

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#### **How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 10.01% based on market price and 13.31% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

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

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

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

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

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

At period end, the Trust held 81% of its total portfolio in corporate bonds, 12% in floating rate loan interests, 6% in common stocks and 1% in preferred stocks. Cash positions were negligible for most of the period. The Trust ended the period with leverage at approximately 23% of its total managed assets.

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



## BlackRock Corporate High Yield Fund VI, Inc.

## Trust Information

|  |              |
|--|--------------|
| Symbol on NYSE   | HYT          |
| Initial Offering Date  | May 30, 2003 |
| Yield on Closing Market Price as of February 28, 2011 (\$11.79) <sup>1</sup> | 8.40%        |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.0825     |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.9900     |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 23%          |

<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 Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11  | 8/31/10  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 11.79 | \$ 11.19 | 5.36%  | \$ 11.90 | \$ 10.52 |
| Net Asset Value | \$ 12.35 | \$ 11.38 | 8.52%  | \$ 12.39 | \$ 11.38 |

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

## Portfolio Composition

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 81%     | 81%     |
| Floating Rate Loan Interests | 12      | 15      |
| Common Stocks                | 4       | 2       |
| Other Interests              | 2       | 1       |
| Preferred Stocks             | 1       | 1       |



Credit Quality Allocations<sup>4</sup>

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|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| BBB/Baa   | 4%      | 3%      |
| BB/Ba     | 32      | 36      |
| B         | 46      | 47      |
| CCC/Caa   | 14      | 11      |
| Not Rated | 4       | 3       |

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

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Trust Summary as of February 28, 2011

**BlackRock High Income Shares**

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**Investment Objective**

**BlackRock High Income Shares (HIS) (the Trust )** primary investment objective is to provide the highest current income attainable consistent with reasonable risk as determined by the Trust's investment adviser, through investment in a professionally managed, diversified portfolio of high yield, high risk fixed income securities (commonly referred to as "junk bonds"). The Trust's secondary objective is to provide capital appreciation, but only when consistent with its primary objective. The Trust seeks to achieve its objectives by investing primarily in high yield, high risk debt instruments rated in the medium to lower categories by nationally recognized rating services (BBB or lower by S&P or Baa or lower by Moody's) or non-rated securities, which, in the investment adviser's opinion, are of comparable quality. Under normal market conditions, the average maturity of the Trust's portfolio is between eight and twelve years. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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**Portfolio Management Commentary**

**How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 9.43% based on market price and 12.65% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. Given the advancing market, the Trust's use of leverage had a positive impact on returns on an absolute basis. However, the Trust maintains a lower level of leverage (at an average amount between 15% and 18% of its total managed assets) than the average level maintained by its Lipper category competitors, which detracted from performance on a relative basis.

During most of the period, the Trust held a significant position in mid-tier speculative grade names, which detracted modestly as they underperformed their lower-quality counterparts. Also having a negative impact was the Trust's exposure to floating rate loan interests; however, the Trust continues to hold a number of loans issued by speculative companies where we believe the loans are the most attractive instrument in the company's capital structure.

Contributing positively to performance was individual security selection, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. Within the Trust's small allocation to common stocks, its holdings in Delphi boosted returns. The Trust's limited exposure to high-quality, non-investment grade proved beneficial, as did its large allocation to lower-quality credits later in the period.

**Describe recent portfolio activity.**

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

**Describe portfolio positioning at period end.**

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At period end, the Trust held 86% of its total portfolio in corporate bonds, 12% in floating rate loan interests and 1% in both common stocks and preferred stocks. Cash positions were negligible for most of the period. The Trust ended the period with leverage at approximately 18% of its total managed assets.

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## BlackRock High Income Shares

## Trust Information

|   |                 |
|---|-----------------|
| Symbol on NYSE  | HIS             |
| Initial Offering Date   | August 10, 1988 |
| Yield on Closing Market Price as of February 28, 2011 (\$2.16) <sup>1</sup> | 7.89%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.0142        |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.1704        |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 18%             |

<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 Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11 | 8/31/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 2.16 | \$ 2.09 | 3.35%  | \$ 2.22 | \$ 1.93 |
| Net Asset Value | \$ 2.33 | \$ 2.19 | 6.39%  | \$ 2.34 | \$ 2.19 |

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

## Portfolio Composition

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 86%     | 84%     |
| Floating Rate Loan Interests | 12      | 13      |
| Preferred Securities         | 1       | 2       |
| Common Stocks                | 1       | 1       |

Credit Quality Allocations<sup>4</sup>

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|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 4       | 3%      |
| BB/Ba     | 31      | 35      |
| B         | 45      | 46      |
| CCC/Caa   | 14      | 11      |
| Not Rated | 5       | 5       |

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

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Trust Summary as of February 28, 2011

**BlackRock High Yield Trust**

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### **Investment Objective**

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**BlackRock High Yield Trust s (BHY) (the Trust )** primary investment objective is to provide high current income. The Trust s secondary investment objective is to provide capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in high-risk, high yield bonds and other such securities, such as preferred stocks, which are rated below investment grade. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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### **Portfolio Management Commentary**

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#### **How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 9.00% based on market price and 12.85% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

High yield bonds outperformed the broader fixed income market as risk assets rallied during the period. Lower-quality high yield bonds outperformed higher-quality issues. The bank loan sector also posted strong returns, but underperformed high yield. Given the advancing market, the Trust s use of leverage had a positive impact on returns on an absolute basis. However, the Trust maintains a lower level of leverage (at an average amount between 15% and 18% of its total managed assets) than the average level maintained by its Lipper category competitors, which detracted from performance on a relative basis.

During most of the period, the Trust held a significant position in mid-tier speculative grade names, which detracted modestly as they underperformed their lower-quality counterparts. Also having a negative impact was the Trust s exposure to floating rate loan interests; however, the Trust continues to hold a number of loans issued by speculative companies where we believe the loans are the most attractive instrument in the company s capital structure.

Contributing positively to performance was individual security selection, particularly among lower-quality credits and special situations in the automotive sector, including manufacturers of automobiles, auto parts and components. Within the Trust s small allocation to common stocks, its holdings in Delphi boosted returns. The Trust s limited exposure to high-quality, non-investment grade proved beneficial, as did its large allocation to lower-quality credits later in the period.

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

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

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

At period end, the Trust held 85% of its total portfolio in corporate bonds, 12% in floating rate loan interests and 3% in stocks. Cash positions were negligible for most of the period. The Trust ended the period with leverage at approximately 18% of its total managed assets.

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## BlackRock High Yield Trust

## Trust Information

|   |                   |
|---|-------------------|
| Symbol on NYSE  | BHY               |
| Initial Offering Date   | December 23, 1998 |
| Yield on Closing Market Price as of February 28, 2011 (\$6.75) <sup>1</sup> | 7.73%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.0435          |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.5220          |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 18%               |

<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 Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11 | 8/31/10 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 6.75 | \$ 6.44 | 4.81%  | \$ 6.77 | \$ 5.94 |
| Net Asset Value | \$ 7.26 | \$ 6.69 | 8.52%  | \$ 7.28 | \$ 6.69 |

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

## Portfolio Composition

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 85%     | 84%     |
| Floating Rate Loan Interests | 12      | 13      |
| Other Interests              | 2       | 1       |
| Preferred Securities         | 1       | 1       |
| Common Stocks                |         | 1       |



Credit Quality Allocations<sup>4</sup>

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|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| BBB/Baa   | 4%      | 3%      |
| BB/Ba     | 35      | 38      |
| B         | 44      | 42      |
| CCC/Caa   | 13      | 12      |
| Not Rated | 4       | 5       |

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

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Trust Summary as of February 28, 2011

**BlackRock Income Opportunity Trust, Inc.**

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### **Investment Objective**

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**BlackRock Income Opportunity Trust, Inc. s (BNA) (the Trust )** investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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### **Portfolio Management Commentary**

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#### **How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned (6.69)% based on market price and (1.64)% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of (0.83)% based on market price and 2.73% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

The largest individual factor impacting performance relative to its Lipper category competitors, many of which carry a lower average credit quality and/or a higher allocation to spread assets (those driven by movements in credit risk), is the Trust s high-quality bias. This bias hurt performance for the period as spread sectors and lower-quality risk assets generally outperformed US Treasuries and government-related assets. In addition, the Trust carried a higher duration (sensitivity to interest rates) relative to its Lipper category average, which detracted from relative performance as interest rates rose significantly in the fourth quarter of 2010.

Contributing positively to performance on an absolute basis was the Trust s exposure to non-government spread sectors, such as investment grade credit, non-agency residential MBS and ABS. Also contributing positively were allocations to high yield corporate credit and CMBS, which were among the best performing fixed income sectors during the period.

The Trust engaged in financial futures contracts for purposes of hedging and managing risks related to duration and yield curve positioning. As interest rates rose during the period, the Trust s financial futures contracts had a negative impact on performance.

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

During the period, the Trust gradually reduced its exposure to agency MBS, while it increased exposure to corporate credit and reduced the duration of its portfolio.

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

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, ABS and non-agency residential MBS. The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS.

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## BlackRock Income Opportunity Trust, Inc.

## Trust Information

|   |                   |
|---|-------------------|
| Symbol on NYSE  | BNA               |
| Initial Offering Date   | December 20, 1991 |
| Yield on Closing Market Price as of February 28, 2011 (\$9.52) <sup>1</sup> | 6.43%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.051           |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.612           |
| Leverage as of February 28, 2011 <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 reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11  | 8/31/10  | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 9.52  | \$ 10.56 | (9.85)% | \$ 10.59 | \$ 9.30  |
| Net Asset Value | \$ 10.52 | \$ 11.07 | (4.97)% | \$ 11.13 | \$ 10.28 |

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

## Portfolio Composition

|   | 2/28/11 | 8/31/10 |
|---|---------|---------|
| Corporate Bonds                             | 39%     | 38%     |
| U.S. Government Sponsored Agency Securities | 32      | 23      |
| U.S. Treasury Obligations                   | 13      | 18      |
| Non-Agency Mortgage-Backed Securities       | 11      | 12      |
| Asset-Backed Securities                     | 3       | 4       |
| Taxable Municipal Bonds                     | 2       | 2       |
| Foreign Agency Obligations                  |         | 2       |

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


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|                      | 2/28/11 | 8/31/10 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 50%     | 41%     |
| AA/Aa                | 6       | 11      |
| A                    | 12      | 20      |
| BBB/Baa              | 11      | 12      |
| BB/Ba                | 7       | 9       |
| B                    | 10      | 6       |
| CCC/Caa              | 4       | 1       |

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

<sup>5</sup> Includes US Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

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Trust Summary as of February 28, 2011

**BlackRock Income Trust, Inc.**

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**Investment Objective**

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**BlackRock Income Trust, Inc. s (BKT) (the Trust )** investment objective is to manage a portfolio of high-quality securities to achieve both preservation of capital and high monthly income. The Trust seeks to achieve its investment objective by investing at least 65% of its assets in mortgage-backed securities. The Trust invests at least 80% of its assets in securities that are (i) issued or guaranteed by the US government or one of its agencies or instrumentalities or (ii) rated at the time of investment either AAA by S&P or Aaa by Moody s. Securities issued or guaranteed by the US government or its agencies or instrumentalities are generally considered to be of the same or higher credit or quality as privately issued securities rated AAA or Aaa. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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**Portfolio Management Commentary**

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**How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 0.01% based on market price and 2.22% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 1.37% based on market price and 6.30% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The largest individual factor impacting performance relative to its Lipper category competitors, many of which carry a lower average credit quality and/or a higher allocation to CMBS and non-agency residential MBS, is the Trust s high-quality bias. This bias hurt performance for the period as CMBS and non-agency residential MBS generally outperformed agency MBS.

Contributing positively to performance on an absolute basis was the Trust s exposure to CMBS and non-agency residential MBS. Security selection among agency MBS had a positive impact on performance, most notably with respect to positioning in agency interest-only ( IO ) mortgages.

The Trust engaged in financial futures contracts and interest rate swaps for purposes of hedging and managing risks related to duration and yield curve positioning. As interest rates rose during the period, the Trust s financial futures contracts and interest rate swaps had a positive impact on performance.

**Describe recent portfolio activity.**

During the period, the Trust gradually reduced exposure to CMBS and altered its agency IO mortgage exposure by moving from higher-coupon mortgages to lower-coupon mortgages.

**Describe portfolio positioning at period end.**

At period end, the Trust maintained its exposure to high-quality agency MBS with varying maturities and coupons and held allocations to non-agency residential MBS and CMBS.

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BlackRock Income Trust, Inc.

**Trust Information**

|   |               |
|---|---------------|
| Symbol on NYSE  | BKT           |
| Initial Offering Date   | July 22, 1988 |
| Yield on Closing Market Price as of February 28, 2011 (\$6.80) <sup>1</sup> | 4.68%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.0265      |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.3180      |
| Leverage as of February 28, 2011 <sup>3</sup>                               | 16%           |

<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 reverse repurchase agreements and the Term Asset-Backed Securities Loan Facility ( TALF ) outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see the Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11 | 8/31/10 | Change  | High    | Low     |
|-----------------|---------|---------|---------|---------|---------|
| Market Price    | \$ 6.80 | \$ 6.95 | (2.16)% | \$ 7.06 | \$ 6.63 |
| Net Asset Value | \$ 7.76 | \$ 7.76 | %       | \$ 7.84 | \$ 7.64 |

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

**Portfolio Composition**

|   | 2/28/11 | 8/31/10 |
|---|---------|---------|
| U.S. Government Sponsored Agency Securities | 86%     | 83%     |
| U.S. Treasury Obligations                   | 9       | 11      |
| Non-Agency Mortgage Backed Securities       | 4       | 5       |
| Asset-Backed Securities                     | 1       | 1       |



Credit Quality Allocations<sup>4</sup>

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|                      | 2/28/11 | 8/31/10 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 100%    | 100%    |

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

<sup>5</sup> Includes US Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

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Trust Summary as of February 28, 2011

**BlackRock Strategic Bond Trust**

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**Investment Objective**

**BlackRock Strategic Bond Trust s (BHD) (the Trust )** investment objective is to provide total return through high current income and capital appreciation. The Trust seeks to achieve its investment objective by investing primarily in a diversified portfolio of fixed income securities including corporate bonds, US government and agency securities, mortgage-related and asset-backed securities and other types of fixed income securities. The Trust invests, under normal market conditions, a significant portion of its assets in corporate fixed income securities that are below investment grade quality, including high-risk, high yield bonds (commonly referred to as junk bonds) and other such securities, such as preferred stocks. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

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**Portfolio Management Commentary**

**How did the Trust perform?**

For the six months ended February 28, 2011, the Trust returned 3.55% based on market price and 9.30% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 9.98% based on market price and 12.87% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

High yield bonds delivered strong performance as risk assets rallied during the period. The Trust s average allocation to high yield contributed to performance on an absolute basis, its average allocation to investment grade credit, which underperformed amid rising interest rates, hurt performance relative to its Lipper category competitors, which invest primarily in high yield bonds. The Trust also invests in floating rate loan interests (approximately 14% of the portfolio during the period), which detracted from relative performance as the bank loan sector underperformed high yield during the period.

The Trust maintained leverage at an average amount between 18% and 22% of its total managed assets, which detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected when markets are advancing.

Within the Trust s high yield segment, a large allocation to lower-quality credits benefited performance, as did security selection in that space.

**Describe recent portfolio activity.**

Over the period, the Trust shifted its overall positioning from a more conservative stance to that which is more consistent with a gradually improving economy. In particular, the Trust increased exposure to lower-quality credits and sectors that are more sensitive to commodity prices and economic conditions.

**Describe portfolio positioning at period end.**

At period end, the Trust held 83% of its total portfolio in corporate bonds and 12% in floating rate loan interests, with the remainder in US Treasury obligations and stocks. Cash positions were negligible for most of the period. The Trust ended the period with leverage at approximately 22% of its total managed assets.

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## BlackRock Strategic Bond Trust

## Trust Information

|  |                   |
|--|-------------------|
| Symbol on NYSE   | BHD               |
| Initial Offering Date  | February 26, 2002 |
| Yield on Closing Market Price as of February 28, 2011 (\$13.02) <sup>1</sup> | 7.33%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.0795          |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.9540          |
| Leverage as of February 28, 2011 <sup>3</sup>                                | 22%               |

<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> A change in the distribution rate was declared on March 1, 2011. The Monthly Distribution per Share was increased to \$0.0845. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 20.

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

|                 | 2/28/11  | 8/31/10  | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 13.02 | \$ 13.17 | (1.14)% | \$ 13.53 | \$ 12.22 |
| Net Asset Value | \$ 14.16 | \$ 13.57 | 4.35%   | \$ 14.23 | \$ 13.57 |

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

## Portfolio Composition

|                              | 2/28/11 | 8/31/10 |
|------------------------------|---------|---------|
| Corporate Bonds              | 83%     | 85%     |
| Floating Rate Loan Interests | 12      | 11      |
| U.S. Treasury Obligations    | 2       |         |
| Other Interests              | 2       | 1       |
| Preferred Securities         | 1       | 2       |
| Common Stocks                |         | 1       |

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

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|           | 2/28/11 | 8/31/10 |
|-----------|---------|---------|
| AA/Aa     | 3%      | 3%      |
| A         | 13      | 14      |
| BBB/Baa   | 14      | 13      |
| BB/Ba     | 25      | 28      |
| B         | 35      | 33      |
| CCC/Caa   | 8       | 8       |
| Not Rated | 2       | 1       |

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

## The Benefits and Risks of Leveraging

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

The Trusts may utilize leverage by borrowing through a credit facility, participation in the TALF, or through entering into reverse repurchase agreements and treasury roll transactions. 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 Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust'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 Trusts had not used leverage.

To illustrate these concepts, assume a Trust'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 Trust 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 Trust 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 Trust's long-term investments, and therefore the shareholders are the beneficiaries of the incremental net income.

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

Furthermore, the value of the Trusts' 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 Trusts' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAV positively or negatively in addition to the impact on Trust performance from leverage and borrowings discussed above.

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

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

|     | Percent of<br>Leverage |
|-----|------------------------|
| BHK | 29%                    |
| HYV | 24%                    |
| HYT | 23%                    |
| HIS | 18%                    |

|     |     |
|-----|-----|
| BHY | 18% |
| BNA | 30% |
| BKT | 16% |
| BHD | 22% |

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### Derivative Financial Instruments

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

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Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock Core Bond Trust (BHK)**  
(Percentages shown are based on Net Assets)

| Asset-Backed Securities   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>321 Henderson Receivables I LLC (a):</b>   |     |              |              |
| Series 2010-1A, Class B, 9.31%, 7/15/61   | USD | 1,150        | \$ 1,218,578 |
| Series 2010-3A, Class A, 3.82%, 12/15/48  |     | 876          | 848,511      |
| Capital One Multi-Asset Execution Trust, Series 2006-A5, Class A5, 0.33%, 1/15/16 (b)       |     | 350          | 347,911      |
| Countrywide Asset-Backed Certificates, Series 2006-13, Class 3AV2, 0.41%, 1/25/37 (b)       |     | 1,323        | 945,960      |
| Credit Acceptance Auto Loan Trust, Series 2010-1, Class B, 3.63%, 10/15/18 (a)              |     | 1,980        | 1,978,918    |
| Globaldrive BV, Series 2008-2, Class A, 4.00%, 10/20/16                                     | EUR | 500          | 696,859      |
| Home Equity Asset Trust, Series 2007-2, Class 2A1, 0.37%, 7/25/37 (b)                       | USD | 239          | 232,483      |
| Maryland Insurance Backed Securities Trust, Series 2006-1A, Class A, 5.55%, 12/10/65        |     | 2,500        | 1,675,000    |
| Nelnet Student Loan Trust, Series 2008-3, Class A4, 4.61%, 11/25/24 (b)                     |     | 650          | 674,808      |
| <b>SLM Student Loan Trust (b):</b>  |     |              |              |
| Series 2006-A, Class A4, 0.42%, 1/15/19   |     | 460          | 447,017      |
| Series 2008-5, Class A3, 1.60%, 1/25/18   |     | 1,140        | 1,171,618    |
| Series 2008-5, Class A4, 2.00%, 7/25/23   |     | 3,620        | 3,785,960    |
| Santander Consumer Acquired Receivables Trust, Series 2011-WO, Class C, 3.19%, 10/15/15 (a) |     | 580          | 578,956      |
| <b>Santander Drive Auto Receivables Trust:</b>  |     |              |              |
| Series 2010-2, Class B, 2.24%, 12/15/14   |     | 860          | 862,511      |
| Series 2010-2, Class C, 3.89%, 7/17/17  |     | 1,010        | 1,040,100    |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)  |     | 700          | 701,209      |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)   |     | 740          | 740,709      |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)  |     | 597          | 596,574      |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)  |     | 610          | 610,000      |
| <b>Small Business Administration, Class 1:</b>  |     |              |              |
| Series 2003-P10B, 5.14%, 8/10/13  |     | 368          | 388,871      |
| Series 2004-P10B, 4.75%, 8/10/14  |     | 239          | 252,915      |
|   |     |              | 19,795,468   |
| <b>Interest Only Asset-Backed Securities 0.2%</b>   |     |              |              |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)                          |     | 4,494        | 289,381      |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29 (a)  |     | 7,069        | 516,906      |
|   |     |              | 806,287      |
| <b>Total Asset-Backed Securities 5.6%</b>   |     |              | 20,601,755   |



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| Common Stocks                             | Shares |            |
|---|--------|------------|
| <b>Software 0.0%</b>                      |        |            |
| Bankruptcy Management Solutions, Inc. (c) | 135    | 474        |
| <b>Total Common Stocks 0.0%</b>           |        | <b>474</b> |

| Corporate Bonds  |     | Par<br>(000) | Value            |
|--|-----|--------------|------------------|
| <b>Aerospace &amp; Defense 0.9%</b>                            |     |              |                  |
| Northrop-Grumman Corp., 7.88%, 3/01/26                         | USD | 960          | \$ 1,256,664     |
| United Technologies Corp.:                                     |     |              |                  |
| 4.88%, 5/01/15   |     | 1,125        | 1,241,176        |
| 6.13%, 7/15/38   |     | 700          | 783,555          |
|  |     |              | <u>3,281,395</u> |
| <b>Airlines 0.4%</b>   |     |              |                  |
| American Airlines, Inc., Series 2001-2, 7.86%,<br>4/01/13      |     | 380          | 392,350          |
| Continental Airlines, Inc., Series 2010-1-B,<br>6.00%, 7/12/20 |     | 700          | 698,250          |
| United Air Lines, Inc., 12.75%, 7/15/12                        |     | 334          | 373,141          |
|  |     |              | <u>1,463,741</u> |
| <b>Auto Components 0.1%</b>                                    |     |              |                  |
| BorgWarner Inc., 4.63%, 9/15/20                                |     | 265          | 266,315          |
| <b>Beverages 1.1%</b>  |     |              |                  |
| Anheuser-Busch InBev Worldwide, Inc., 7.75%,<br>1/15/19 (a)(d) |     | 2,950        | 3,657,227        |
| Crown European Holdings SA, 7.13%, 8/15/18 (a)                 | EUR | 355          | 521,725          |
|  |     |              | <u>4,178,952</u> |
| <b>Building Products 0.1%</b>                                  |     |              |                  |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16     | USD | 235          | 254,975          |
| <b>Capital Markets 4.1%</b>                                    |     |              |                  |
| American Capital Ltd., 7.96%, 12/31/13                         |     | 720          | 737,330          |
| CDP Financial, Inc. (a)(d):                                    |     |              |                  |
| 3.00%, 11/25/14  |     | 1,935        | 1,970,987        |
| 5.60%, 11/25/39  |     | 2,935        | 3,041,787        |
| Credit Suisse, 5.50%, 5/01/14                                  |     | 575          | 632,216          |
| The Goldman Sachs Group, Inc.:                                 |     |              |                  |
| 3.70%, 8/01/15   |     | 800          | 811,063          |
| 5.38%, 3/15/20   |     | 1,725        | 1,772,298        |
| 6.00%, 6/15/20   |     | 870          | 932,803          |
| 6.25%, 2/01/41   |     | 345          | 351,093          |
| Morgan Stanley:  |     |              |                  |
| 2.81%, 5/14/13 (b)(d)  |     | 1,890        | 1,955,713        |
| 4.20%, 11/20/14  |     | 490          | 508,739          |
| 4.00%, 7/24/15   |     | 410          | 419,778          |

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|                                      |     |            |
|--------------------------------------|-----|------------|
| 6.25%, 8/28/17                       | 875 | 955,726    |
| 5.63%, 9/23/19                       | 630 | 647,171    |
| Nomura Holdings Inc., 4.13%, 1/19/16 | 389 | 387,269    |
|                                      |     | 15,123,973 |

### Chemicals 0.5%

|  |     |           |
|--|-----|-----------|
| American Pacific Corp., 9.00%, 2/01/15   | 250 | 245,625   |
| The Dow Chemical Co., 4.25%, 11/15/20  | 185 | 178,283   |
| Hexion U.S. Finance Corp., 8.88%, 2/01/18  | 595 | 638,881   |
| Huntsman International LLC, 6.88%, 11/15/13 (a) <span style="float: right;">EUR</span> | 435 | 613,784   |
|  |     | 1,676,573 |

### Portfolio Abbreviations

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

|                |  |
|----------------|--|
| <b>CAD</b>     | Canadian Dollar                          |
| <b>EUR</b>     | Euro                                     |
| <b>EURIBOR</b> | Euro Interbank Offered Rate              |
| <b>FHLMC</b>   | Federal Home Loan Mortgage Corp.         |
| <b>FKA</b>     | Formerly Known As                        |
| <b>FNMA</b>    | Federal National Mortgage Association    |
| <b>GBP</b>     | British Pound                            |
| <br>           |  |
| <b>GNMA</b>    | Government National Mortgage Association |
| <b>GO</b>      | General Obligation Bonds                 |
| <b>INR</b>     | Indian Rupee                             |
| <b>JPY</b>     | Japanese Yen                             |
| <b>LIBOR</b>   | London InterBank Offered Rate            |
| <b>RB</b>      | Revenue Bonds                            |
| <b>USD</b>     | US Dollar                                |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Commercial Banks 7.8%</b>                                   |     |              |              |
| BNP Paribas Home Loan Covered Bonds SA, 2.20%,<br>11/02/15 (a) | USD | 3,130        | \$ 3,001,110 |
| Bank of Nova Scotia, 1.65%, 10/29/15 (a)                       |     | 4,795        | 4,604,791    |
| CIT Group, Inc.:   |     |              |              |
| 7.00%, 5/01/16   |     | 110          | 110,963      |
| 7.00%, 5/01/17   |     | 1,680        | 1,692,600    |
| Canadian Imperial Bank of Commerce, 2.75%,<br>1/27/16 (a)      |     | 1,490        | 1,488,891    |
| DEPFA ACS Bank, 5.13%, 3/16/37 (a)                             |     | 3,775        | 2,475,822    |
| Discover Bank, 8.70%, 11/18/19                                 |     | 1,045        | 1,257,230    |
| DnB NOR Boligkredditt, 2.10%, 10/14/15 (a)                     |     | 4,020        | 3,859,288    |
| Ekspportfinans ASA:  |     |              |              |
| 2.00%, 9/15/15 (d)   |     | 2,455        | 2,393,821    |
| 5.50%, 6/26/17   |     | 950          | 1,063,828    |
| HSBC Bank USA NA, 5.88%, 11/01/34 (d)                          |     | 775          | 769,860      |
| HSBC Holdings Plc, 6.50%, 5/02/36                              |     | 300          | 310,513      |
| Royal Bank of Canada, 3.13%, 4/14/15 (a)                       |     | 3,870        | 3,967,598    |
| Sparebanken 1 Boligkredditt, 1.25%, 10/25/13 (a)               |     | 1,580        | 1,565,162    |
|  |     |              | 28,561,477   |
| <b>Commercial Services &amp; Supplies 0.3%</b>                 |     |              |              |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)                |     | 250          | 256,875      |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a)                         |     | 320          | 340,800      |
| RR Donnelley & Sons Co., 7.63%, 6/15/20                        |     | 169          | 177,153      |
| West Corp., 7.88%, 1/15/19 (a)                                 |     | 200          | 205,250      |
|  |     |              | 980,078      |
| <b>Construction Materials 0.5%</b>                             |     |              |              |
| Inversiones CMPC SA, 4.75%, 1/19/18 (a)                        |     | 220          | 211,666      |
| Nortek, Inc., 10.00%, 12/01/18 (a)                             |     | 1,450        | 1,547,875    |
|  |     |              | 1,759,541    |
| <b>Consumer Finance 0.5%</b>                                   |     |              |              |
| Ford Motor Credit Co. LLC:                                     |     |              |              |
| 3.05%, 1/13/12 (b)   |     | 125          | 126,274      |
| 7.80%, 6/01/12   |     | 340          | 362,591      |
| SLM Corp.:   |     |              |              |
| 6.25%, 1/25/16   |     | 661          | 677,525      |
| Series A, 0.59%, 1/27/14 (b)                                   |     | 550          | 519,227      |
|  |     |              | 1,685,617    |
| <b>Containers &amp; Packaging 1.3%</b>                         |     |              |              |
|  | EUR | 425          | 605,539      |

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|  |     |     |           |
|--|-----|-----|-----------|
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (a) |     |     |           |
| Ball Corp.:  |     |     |           |
| 7.38%, 9/01/19                                       | USD | 270 | 293,625   |
| 6.75%, 9/15/20                                       |     | 675 | 707,063   |
| Berry Plastics Corp., 9.75%, 1/15/21 (a)             |     | 975 | 977,438   |
| Pregis Corp., 12.38%, 10/15/13                       |     | 260 | 261,950   |
| Smurfit Kappa Acquisitions (a):                      |     |     |           |
| 7.25%, 11/15/17                                      | EUR | 725 | 1,060,491 |
| 7.75%, 11/15/19                                      |     | 685 | 1,011,434 |
|  |     |     | 4,917,540 |

**Diversified Financial Services 6.2%**

|                                 |     |       |           |
|---------------------------------|-----|-------|-----------|
| Ally Financial, Inc.:           |     |       |           |
| 8.30%, 2/12/15                  | USD | 1,920 | 2,167,200 |
| 6.25%, 12/01/17 (a)             |     | 240   | 250,500   |
| 8.00%, 3/15/20                  |     | 560   | 630,700   |
| 8.00%, 11/01/31                 |     | 320   | 366,400   |
| Bank of America Corp.:          |     |       |           |
| 7.63%, 6/01/19                  |     | 450   | 526,129   |
| 5.63%, 7/01/20                  |     | 1,070 | 1,113,020 |
| Citigroup, Inc., 4.75%, 5/19/15 |     | 375   | 395,823   |

| Corporate Bonds  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Diversified Financial Services (concluded)</b>      |     |              |            |
| General Electric Capital Corp.:                        |     |              |            |
| 5.30%, 2/11/21   | USD | 370          | \$ 380,110 |
| 6.15%, 8/07/37 (d)(e)                                  |     | 4,150        | 4,287,797  |
| 5.88%, 1/14/38 (d)                                     |     | 177          | 177,581    |
| 6.88%, 1/10/39 (d)                                     |     | 135          | 152,878    |
| JPMorgan Chase & Co.:                                  |     |              |            |
| 3.70%, 1/20/15 (d)                                     |     | 3,425        | 3,543,741  |
| 2.60%, 1/15/16   |     | 690          | 668,739    |
| 6.00%, 1/15/18   |     | 125          | 139,034    |
| 6.30%, 4/23/19 (d)                                     |     | 2,000        | 2,248,738  |
| 4.25%, 10/15/20  |     | 190          | 183,193    |
| Novus USA Trust, 1.56%, 11/18/11 (a)(b)                |     | 860          | 859,679    |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (a) |     | 890          | 947,850    |
| Reynolds Group Issuer, Inc. (a):                       |     |              |            |
| 7.75%, 10/15/16  | EUR | 550          | 804,511    |
| 7.13%, 4/15/19   | USD | 2,111        | 2,163,775  |
| 9.00%, 4/15/19   |     | 600          | 625,500    |
|  |     |              | 22,632,898 |

**Diversified Telecommunication Services 5.1%**

|  |  |       |           |
|--|--|-------|-----------|
| AT&T Inc.:   |  |       |           |
| 6.45%, 6/15/34   |  | 780   | 820,613   |
| 6.55%, 2/15/39 (d)(e)                                      |  | 3,375 | 3,596,305 |
| BellSouth Telecommunications, Inc., 8.30%,<br>12/15/95 (f) |  | 1,700 | 1,184,599 |
| GCI, Inc., 8.63%, 11/15/19                                 |  | 1,700 | 1,870,000 |
| Level 3 Financing, Inc., 8.75%, 2/15/17                    |  | 340   | 334,050   |
| Qwest Communications International, Inc.:                  |  |       |           |

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|   |       |            |
|---|-------|------------|
| 7.50%, 2/15/14                                | 60    | 60,900     |
| Series B, 7.50%, 2/15/14                      | 30    | 30,450     |
| Qwest Corp., 8.38%, 5/01/16                   | 180   | 214,875    |
| Telecom Italia Capital SA:                    |       |            |
| 4.95%, 9/30/14 (d)                            | 1,075 | 1,104,561  |
| 6.00%, 9/30/34                                | 1,550 | 1,372,201  |
| Telefonica Emisiones SAU, 7.05%, 6/20/36      | 1,975 | 2,125,535  |
| Verizon Communications, Inc.:                 |       |            |
| 8.75%, 11/01/18                               | 1,220 | 1,574,381  |
| 6.40%, 2/15/38 (d)                            | 2,125 | 2,273,419  |
| 8.95%, 3/01/39                                | 900   | 1,254,778  |
| Verizon Global Funding Corp., 7.75%, 12/01/30 | 70    | 85,914     |
| Verizon New Jersey, Inc.:                     |       |            |
| 5.88%, 1/17/12                                | 335   | 349,792    |
| 7.85%, 11/15/29                               | 230   | 264,657    |
| Windstream Corp.:                             |       |            |
| 8.13%, 8/01/13                                | 60    | 66,075     |
| 8.63%, 8/01/16                                | 90    | 95,175     |
| 7.88%, 11/01/17                               | 60    | 65,175     |
|   |       | 18,743,455 |

**Electric Utilities 4.2%**

|  |       |           |
|--|-------|-----------|
| Alabama Power Co., 6.00%, 3/01/39 (d)              | 1,275 | 1,388,687 |
| Duke Energy Carolinas LLC:                         |       |           |
| 6.10%, 6/01/37                                     | 315   | 341,058   |
| 6.00%, 1/15/38                                     | 825   | 894,700   |
| EDF SA, 5.60%, 1/27/40 (a)(d)                      | 1,400 | 1,446,916 |
| E.ON International Finance BV, 6.65%, 4/30/38 (a)  | 1,525 | 1,812,020 |
| Elwood Energy LLC, 8.16%, 7/05/26                  | 92    | 91,191    |
| Florida Power & Light Co., 4.95%, 6/01/35          | 950   | 922,505   |
| Florida Power Corp.:                               |       |           |
| 6.35%, 9/15/37 (d)                                 | 1,325 | 1,491,237 |
| 6.40%, 6/15/38                                     | 430   | 488,961   |
| PacifiCorp., 6.25%, 10/15/37                       | 575   | 639,186   |
| Public Service Co. of Colorado, 6.25%, 9/01/37 (d) | 1,200 | 1,366,902 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Electric Utilities (concluded)</b>                            |     |              |            |
| Southern California Edison Co.:                                  |     |              |            |
| 5.63%, 2/01/36   | USD | 625          | \$ 652,879 |
| Series 05-E, 5.35%, 7/15/35                                      |     | 125          | 125,841    |
| Series 08-A, 5.95%, 2/01/38                                      |     | 1,075        | 1,174,517  |
| The Toledo Edison Co., 6.15%, 5/15/37                            |     | 350          | 361,561    |
| Virginia Electric and Power Co., Series A, 6.00%,<br>5/15/37 (d) |     | 2,000        | 2,161,112  |
|  |     |              | 15,359,273 |
| <b>Energy Equipment &amp; Services 0.6%</b>                      |     |              |            |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)                         |     | 340          | 348,500    |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (a)                     |     | 605          | 620,125    |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a)                      |     | 875          | 905,625    |
| Precision Drilling Corp., 6.63%, 11/15/20 (a)                    |     | 160          | 165,200    |
| Thermon Industries, Inc., 9.50%, 5/01/17                         |     | 180          | 194,850    |
|  |     |              | 2,234,300  |
| <b>Food &amp; Staples Retailing 0.9%</b>                         |     |              |            |
| Wal-Mart Stores, Inc. (d):                                       |     |              |            |
| 6.50%, 8/15/37   |     | 1,900        | 2,192,410  |
| 6.20%, 4/15/38   |     | 850          | 946,173    |
|  |     |              | 3,138,583  |
| <b>Food Products 0.6%</b>  |     |              |            |
| Darling International, Inc., 8.50%, 12/15/18 (a)                 |     | 335          | 361,381    |
| Kraft Foods, Inc., 7.00%, 8/11/37                                |     | 1,455        | 1,652,952  |
|  |     |              | 2,014,333  |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>                 |     |              |            |
| DJO Finance LLC, 10.88%, 11/15/14                                |     | 860          | 942,775    |
| <b>Health Care Providers &amp; Services 1.0%</b>                 |     |              |            |
| ConvaTec Healthcare E SA (a):                                    |     |              |            |
| 7.38%, 12/15/17  | EUR | 600          | 861,089    |
| 10.50%, 12/15/18   | USD | 630          | 672,525    |
| Tenet Healthcare Corp.:  |     |              |            |
| 9.00%, 5/01/15   |     | 410          | 451,000    |
| 10.00%, 5/01/18  |     | 170          | 199,750    |
| 8.88%, 7/01/19   |     | 1,150        | 1,308,125  |
|  |     |              | 3,492,489  |

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**Hotels, Restaurants & Leisure 1.9%**

|  |     |       |           |
|--|-----|-------|-----------|
| Boyd Gaming Corp., 9.13%, 12/01/18 (a)                         |     | 835   | 876,750   |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/18 |     | 4,960 | 4,662,400 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                    | EUR | 69    | 99,025    |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (a)                    | USD | 440   | 458,700   |
| McDonald's Corp., 5.70%, 2/01/39                               |     | 825   | 887,904   |

6,984,779

**Household Durables 1.6%**

|  |  |       |           |
|--|--|-------|-----------|
| Beazer Homes USA, Inc.:<br>8.13%, 6/15/16  |  | 255   | 259,144   |
| 12.00%, 10/15/17                           |  | 1,050 | 1,220,625 |
| Standard Pacific Corp.:<br>10.75%, 9/15/16 |  | 2,100 | 2,467,500 |
| 8.38%, 5/15/18 (a)                         |  | 655   | 694,300   |
| 8.38%, 1/15/21 (a)                         |  | 1,065 | 1,123,575 |

5,765,144

**Household Products 0.3%**

|                                      |  |     |           |
|--------------------------------------|--|-----|-----------|
| Kimberly-Clark Corp., 6.63%, 8/01/37 |  | 850 | 1,022,845 |
|--------------------------------------|--|-----|-----------|

**Corporate Bonds**

|  |  | Par<br>(000) | Value |
|--|--|--------------|-------|
|--|--|--------------|-------|

**IT Services 1.3%**

|  |     |       |            |
|--|-----|-------|------------|
| First Data Corp. (a):<br>8.25%, 1/15/21            | USD | 674   | \$ 670,630 |
| 12.63%, 1/15/21                                    |     | 520   | 544,700    |
| iPayment, Inc., 9.75%, 5/15/14                     |     | 240   | 237,900    |
| iPayment Investors LP, 12.75%, 7/15/14 (a)(g)      |     | 863   | 803,013    |
| SunGard Data Systems, Inc. (a):<br>7.38%, 11/15/18 |     | 660   | 681,450    |
| 7.63%, 11/15/20                                    |     | 1,730 | 1,786,225  |

4,723,918

**Independent Power Producers &  
Energy Traders 1.9%**

|   |  |       |           |
|---|--|-------|-----------|
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (a)      |  | 1,000 | 1,085,000 |
| Energy Future Holdings Corp., 10.00%,<br>1/15/20 (a)            |  | 1,520 | 1,582,855 |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 |  | 347   | 362,217   |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)                            |  | 3,610 | 3,758,912 |

6,788,984

**Industrial Conglomerates 0.8%**

|                                      |  |       |           |
|--------------------------------------|--|-------|-----------|
| Sequa Corp. (a):<br>11.75%, 12/01/15 |  | 690   | 748,650   |
| 13.50%, 12/01/15 (g)                 |  | 1,940 | 2,148,984 |

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|   |       |           |
|---|-------|-----------|
|   |       | 2,897,634 |
| <b>Insurance 2.2%</b>   |       |           |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)                               | 384   | 408,960   |
| Chubb Corp., 6.00%, 5/11/37   | 1,100 | 1,180,541 |
| Hartford Life Global Funding Trusts, 0.48%,<br>6/16/14 (b)                  | 425   | 413,269   |
| Manulife Financial Corp., 3.40%, 9/17/15                                    | 780   | 772,868   |
| Metropolitan Life Global Funding I (a)(d):<br>2.50%, 1/11/13                | 2,545 | 2,593,210 |
| 5.13%, 6/10/14  | 775   | 841,489   |
| Prudential Financial, Inc.:<br>5.70%, 12/14/36                              | 675   | 672,223   |
| Series D, 5.90%, 3/17/36  | 500   | 508,541   |
| Teachers Insurance & Annuity Association of America,<br>6.85%, 12/16/39 (a) | 505   | 581,081   |
|   |       | 7,972,182 |
| <b>Life Sciences Tools &amp; Services 0.0%</b>                              |       |           |
| Life Technologies Corp., 5.00%, 1/15/21                                     | 145   | 146,784   |
| <b>Machinery 1.0%</b>   |       |           |
| AGY Holding Corp., 11.00%, 11/15/14   | 310   | 275,900   |
| Navistar International Corp.:<br>3.00%, 10/15/14 (h)                        | 1,040 | 1,453,400 |
| 8.25%, 11/01/21   | 880   | 974,600   |
| Titan International, Inc., 5.63%, 1/15/17 (a)(h)                            | 340   | 885,700   |
|   |       | 3,589,600 |
| <b>Marine 0.9%</b>  |       |           |
| Horizon Lines, Inc., 4.25%, 8/15/12 (h)                                     | 2,355 | 2,184,263 |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)(d)                             | 1,050 | 1,055,250 |
|   |       | 3,239,513 |
| <b>Media 8.4%</b>   |       |           |
| Affinion Group, Inc., 7.88%, 12/15/18 (a)                                   | 625   | 598,438   |
| CBS Corp., 8.88%, 5/15/19   | 510   | 643,120   |
| CCH II LLC, 13.50%, 11/30/16  | 2,300 | 2,786,330 |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (a)                                   | 52    | 36,656    |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (a)                 | 1,095 | 1,136,062 |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (a)                             | 350   | 375,375   |

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Media (concluded)</b>   |     |              |              |
| Clear Channel Worldwide Holdings, Inc., Series B,<br>9.25%, 12/15/17 | USD | 1,127        | \$ 1,253,787 |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22      |     | 600          | 818,149      |
| Comcast Corp.:<br>6.45%, 3/15/37                                     |     | 790          | 826,880      |
| 6.40%, 3/01/40   |     | 390          | 405,819      |
| Cox Enterprises, Inc:  |     |              |              |
| Loan Close 2, 4.00%, 8/15/18   |     | 1,059        | 1,058,750    |
| Loan Close 3, 12.00%, 8/15/18  |     | 1,092        | 1,091,944    |
| Shares Loan, 4.00%, 8/15/18  |     | 926          | 926,058      |
| Discovery Communications LLC, 3.70%, 6/01/15                         |     | 480          | 497,355      |
| Gray Television, Inc., 10.50%, 6/29/15                               |     | 485          | 515,313      |
| Interactive Data Corp., 10.25%, 8/01/18 (a)                          |     | 1,480        | 1,657,600    |
| NBC Universal, Inc. (a):   |     |              |              |
| 5.15%, 4/30/20   |     | 968          | 997,873      |
| 4.38%, 4/01/21   |     | 795          | 765,150      |
| The New York Times Co., 6.63%, 12/15/16 (a)                          |     | 1,800        | 1,840,500    |
| News America Holdings, Inc.:   |     |              |              |
| 7.70%, 10/30/25  |     | 825          | 982,841      |
| 8.45%, 8/01/34   |     | 625          | 757,894      |
| News America, Inc.:  |     |              |              |
| 4.50%, 2/15/21 (a)   |     | 625          | 621,179      |
| 7.63%, 11/30/28  |     | 385          | 443,378      |
| 6.15%, 2/15/41 (a)   |     | 750          | 762,343      |
| Rainbow National Services LLC (a):                                   |     |              |              |
| 8.75%, 9/01/12   |     | 200          | 200,750      |
| 10.38%, 9/01/14  |     | 943          | 981,899      |
| TCI Communications, Inc., 7.88%, 2/15/26                             |     | 610          | 741,576      |
| Time Warner Cable, Inc.:   |     |              |              |
| 7.30%, 7/01/38   |     | 930          | 1,047,756    |
| 5.88%, 11/15/40  |     | 465          | 441,535      |
| Time Warner, Inc.:   |     |              |              |
| 4.70%, 1/15/21   |     | 350          | 351,794      |
| 6.10%, 7/15/40   |     | 215          | 217,041      |
| UPC Germany GmbH, 8.13%, 12/01/17 (a)                                |     | 2,600        | 2,788,500    |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18                     |     | 525          | 574,875      |
| Ziggo Finance BV, 6.13%, 11/15/17 (a)                                | EUR | 1,135        | 1,601,484    |
|  |     |              | 30,746,004   |
| <b>Metals &amp; Mining 2.7%</b>                                      |     |              |              |
| Cliffs Natural Resources, Inc., 4.80%, 10/01/20                      | USD | 240          | 237,630      |
| Corporacion Nacional del Cobre de Chile, 3.75%,<br>11/04/20 (a)      |     | 259          | 243,763      |
| Drummond Co., Inc.:  |     |              |              |
| 9.00%, 10/15/14 (a)  |     | 805          | 859,338      |
| 7.38%, 2/15/16   |     | 375          | 388,125      |
| Falconbridge Ltd., 6.20%, 6/15/35                                    |     | 1,250        | 1,273,561    |

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|   |     |       |           |
|---|-----|-------|-----------|
| Goldcorp, Inc., 2.00%, 8/01/14 (h)                    |     | 645   | 811,894   |
| New World Resources NV, 7.88%, 5/01/18                | EUR | 215   | 318,941   |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (h) | USD | 615   | 820,256   |
| Novelis, Inc., 8.75%, 12/15/20 (a)(d)                 |     | 4,380 | 4,828,950 |
|   |     |       | 9,782,458 |

**Oil, Gas & Consumable Fuels 6.6%**

|   |  |       |           |
|---|--|-------|-----------|
| Arch Coal, Inc., 7.25%, 10/01/20                  |  | 1,225 | 1,301,562 |
| BP Capital Markets Plc, 3.13%, 3/10/12            |  | 1,270 | 1,298,656 |
| Bill Barrett Corp., 9.88%, 7/15/16                |  | 75    | 84,000    |
| Burlington Resources Finance Co., 7.40%, 12/01/31 |  | 875   | 1,037,802 |
| Canadian Natural Resources, Ltd.:                 |  |       |           |
| 6.50%, 2/15/37                                    |  | 410   | 454,739   |
| 6.25%, 3/15/38                                    |  | 375   | 405,435   |
| 6.75%, 2/01/39                                    |  | 1,025 | 1,174,411 |
| Cenovus Energy, Inc., 6.75%, 11/15/39             |  | 895   | 1,018,578 |
| Chesapeake Energy Corp., 6.63%, 8/15/20           |  | 1,185 | 1,244,250 |

| Corporate Bonds | Par<br>(000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Oil, Gas & Consumable Fuels (concluded)**

|   |     |       |            |
|---|-----|-------|------------|
| ConocoPhillips Canada Funding Co., 5.95%,<br>10/15/36 | USD | 535   | \$ 570,894 |
| Crosstex Energy LP, 8.88%, 2/15/18                    |     | 130   | 143,325    |
| Devon Energy Corp., 7.95%, 4/15/32                    |     | 625   | 812,944    |
| EnCana Corp.:   |     |       |            |
| 6.50%, 8/15/34  |     | 670   | 720,681    |
| 6.63%, 8/15/37  |     | 700   | 772,526    |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17 (a)      |     | 580   | 623,500    |
| Enterprise Products Operating LLC:                    |     |       |            |
| 6.13%, 2/01/13  |     | 695   | 748,350    |
| 6.13%, 10/15/39                                       |     | 700   | 701,354    |
| Marathon Petroleum Corp., 6.50%, 3/01/41 (a)          |     | 434   | 439,682    |
| MidAmerican Energy Co., 5.80%, 10/15/36               |     | 700   | 728,622    |
| MidAmerican Energy Holdings Co.:                      |     |       |            |
| 5.95%, 5/15/37  |     | 800   | 829,182    |
| 6.50%, 9/15/37  |     | 1,900 | 2,112,181  |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (a)          |     | 1,000 | 1,090,000  |
| Peabody Energy Corp., 6.50%, 9/15/20                  |     | 620   | 663,400    |
| Petrobras International Finance Co.:                  |     |       |            |
| 3.88%, 1/27/16  |     | 1,785 | 1,802,343  |
| 5.88%, 3/01/18  |     | 75    | 79,816     |
| 5.75%, 1/20/20  |     | 1,725 | 1,789,943  |
| Rockies Express Pipeline LLC, 3.90%, 4/15/15 (a)      |     | 680   | 676,399    |
| Valero Energy Corp., 6.63%, 6/15/37                   |     | 641   | 655,030    |

23,979,605

**Paper & Forest Products 1.1%**

|  |  |     |         |
|--|--|-----|---------|
| Boise Paper Holdings LLC:                |  |     |         |
| 9.00%, 11/01/17                          |  | 490 | 546,350 |
| 8.00%, 4/01/20                           |  | 210 | 231,525 |
| Clearwater Paper Corp., 10.63%, 6/15/16  |  | 620 | 708,350 |
| International Paper Co., 7.30%, 11/15/39 |  | 750 | 879,151 |
| NewPage Corp., 11.38%, 12/31/14          |  | 900 | 897,750 |

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|  |       |           |
|--|-------|-----------|
| Verso Paper Holdings LLC, 11.50%, 7/01/14                    | 745   | 821,362   |
|  |       | 4,084,488 |
| <b>Pharmaceuticals 1.6%</b>                                  |       |           |
| Grifols, Inc., 8.25%, 2/01/18 (a)                            | 175   | 179,812   |
| Merck & Co., Inc., 6.55%, 9/15/37 (d)                        | 1,125 | 1,331,296 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)(d)                  | 850   | 1,050,912 |
| Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36              | 1,445 | 1,592,389 |
| Wyeth (d):   |       |           |
| 6.00%, 2/15/36   | 675   | 738,964   |
| 5.95%, 4/01/37   | 925   | 999,772   |
|  |       | 5,893,145 |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>            |       |           |
| Kimco Realty Corp., 6.88%, 10/01/19                          | 430   | 501,873   |
| <b>Road &amp; Rail 0.9%</b>                                  |       |           |
| Avis Budget Car Rental LLC, 9.63%, 3/15/18                   | 715   | 799,012   |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40             | 950   | 989,889   |
| Canadian National Railway Co., 6.25%, 8/01/34                | 350   | 398,372   |
| Florida East Coast Railway Corp., 8.13%,<br>2/01/17 (a)      | 490   | 512,050   |
| The Hertz Corp., 7.38%, 1/15/21 (a)                          | 670   | 700,150   |
|  |       | 3,399,473 |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.1%</b> |       |           |
| Spanion LLC, 7.88%, 11/15/17 (a)                             | 390   | 397,800   |
| <b>Software 0.2%</b>   |       |           |
| Oracle Corp., 5.38%, 7/15/40 (a)                             | 895   | 872,369   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds                                    |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Thrifts &amp; Mortgage Finance 1.6%</b>         |     |              |              |
| Achmea Hypotheekbank NV, 3.20%,<br>11/03/14 (a)(d) | USD | 1,305        | \$ 1,348,186 |
| MGIC Investment Corp., 5.38%, 11/01/15             |     | 840          | 791,700      |
| The PMI Group, Inc., 6.00%, 9/15/16                |     | 1,400        | 1,115,235    |
| Radian Group, Inc.:                                |     |              |              |
| 5.63%, 2/15/13                                     |     | 1,400        | 1,400,000    |
| 5.38%, 6/15/15                                     |     | 1,400        | 1,270,500    |
|  |     |              | 5,925,621    |
| <b>Tobacco 0.2%</b>                                |     |              |              |
| Philip Morris International, Inc., 4.50%, 3/26/20  |     | 640          | 660,671      |
| <b>Wireless Telecommunication Services 3.0%</b>    |     |              |              |
| Clearwire Communications LLC (a):                  |     |              |              |
| 12.00%, 12/01/15                                   |     | 190          | 207,100      |
| 12.00%, 12/01/17                                   |     | 160          | 172,800      |
| Cricket Communications, Inc., 10.00%, 7/15/15      |     | 35           | 38,588       |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (a)        |     | 1,420        | 1,542,170    |
| Digicel Group Ltd. (a):                            |     |              |              |
| 9.13%, 1/15/15 (g)                                 |     | 560          | 583,240      |
| 8.25%, 9/01/17                                     |     | 150          | 156,750      |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (a)  |     | 1,050        | 1,078,875    |
| MetroPCS Wireless, Inc.:                           |     |              |              |
| 7.88%, 9/01/18                                     |     | 850          | 897,812      |
| 6.63%, 11/15/20                                    |     | 850          | 827,687      |
| Rogers Communications, Inc., 7.50%, 8/15/38        |     | 1,150        | 1,426,112    |
| SBA Tower Trust, 4.25%, 4/15/40 (a)                |     | 950          | 992,928      |
| Sprint Capital Corp., 6.88%, 11/15/28              |     | 745          | 671,431      |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (a)       |     | 350          | 378,000      |
| Vodafone Group Plc, 4.15%, 6/10/14 (d)             |     | 2,050        | 2,171,122    |
|  |     |              | 11,144,615   |
| <b>Total Corporate Bonds 74.9%</b>                 |     |              | 273,227,788  |

**Foreign Agency Obligations**

|  |     |     |         |
|--|-----|-----|---------|
| Hellenic Republic Government Bond, 4.60%,<br>9/20/40 | EUR | 160 | 122,363 |
| Israel Government AID Bond:                          |     |     |         |
| 5.50%, 4/26/24                                       | USD | 825 | 928,541 |
| 5.50%, 9/18/33                                       |     | 845 | 932,093 |

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|   |     |                  |
|---|-----|------------------|
| Italy Government International Bond, 5.38%,<br>6/15/33                  | 455 | 451,167          |
| Japan Finance Corp., 2.00%, 6/24/11                                     | 860 | 864,548          |
| Japan Finance Organization for Municipal Enterprises,<br>4.00%, 1/13/21 | 500 | 494,995          |
| Kreditanstalt fuer Wiederaufbau, 1.38%, 7/15/13 (d)                     | 660 | 664,720          |
| Mexico Government International Bond, 5.63%,<br>1/15/17                 | 370 | 407,925          |
| United Mexican States, Series A, 5.13%, 1/15/20                         | 215 | 225,213          |
| <b>Total Foreign Agency Obligations 1.4%</b>                            |     | <b>5,091,565</b> |

**Non-Agency Mortgage-Backed Securities**

|  |       |         |
|--|-------|---------|
| <b>Collateralized Mortgage Obligations 7.3%</b>  |       |         |
| Adjustable Rate Mortgage Trust, Series 2005-7,<br>Class 4A1, 5.40%, 10/25/35 (b)               | 1,017 | 948,981 |
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                     | 1,100 | 766,422 |
| Bear Stearns Adjustable Rate Mortgage Trust,<br>Series 2004-8, Class 14A1, 5.39%, 11/25/34 (b) | 487   | 462,605 |
| CS First Boston Mortgage Securities Corp.,<br>Series 2005-12, Class 6A1, 6.00%, 1/25/36        | 980   | 734,672 |

| <b>Non-Agency Mortgage-Backed Securities</b>  | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Collateralized Mortgage Obligations (concluded)</b>  |                      |              |
| Chase Mortgage Finance Corp., Series 2005-A1,<br>Class 1A1, 5.40%, 12/25/35 (b)                         | USD 974              | \$ 939,756   |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35                 | 1,583                | 1,417,855    |
| Series 2006-0A19, Class A1, 0.44%,<br>2/20/47 (b)   | 465                  | 243,000      |
| Series 2006-0A21, Class A1, 0.45%,<br>3/20/47 (b)   | 865                  | 517,994      |
| Series 2006-41CB, Class 1A4, 5.75%, 1/25/37   | 800                  | 618,562      |
| Series 2007-HY4, Class 4A1, 5.54%,<br>6/25/47 (b)   | 984                  | 712,299      |
| Countrywide Home Loan Mortgage Pass-Through Trust:<br>Series 2006-0A5, Class 2A1, 0.46%,<br>4/25/46 (b) | 359                  | 222,275      |
| Series 2007-10, Class A22, 6.00%, 7/25/37   | 771                  | 646,481      |
| Credit Suisse Mortgage Capital Certificates:<br>Series 2007-1, Class 5A14, 6.00%, 2/25/37               | 598                  | 518,929      |
| Series 2011-2R, Class 2A1, 5.25%, 7/25/36   | 1,730                | 1,569,283    |
| Series 2011-2R, Class 2A1, 4.58%,<br>7/27/36 (a)(b)   | 1,700                | 1,542,070    |
| Series 2011-4R, Class 1A1, 5.69%,<br>5/27/36 (a)(b)   | 900                  | 801,562      |
| Series 2011-4R, Class 1A1, 5.16%, 8/25/47   | 1,800                | 1,603,125    |
| Series 2011-4R, Class 2A1, 5.17%,<br>5/27/36 (a)(b)   | 1,165                | 1,060,150    |
| Deutsche ALT-A Securities, Inc., Alternate Loan Trust,<br>Series 2006-0A1, Class A1, 0.46%, 2/25/47 (b) | 283                  | 186,587      |

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|  |       |            |
|--|-------|------------|
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.14%, 6/19/35 (b)        | 1,571 | 1,554,435  |
| <b>GSR Mortgage Loan Trust:</b>  |       |            |
| Series 2005-AR4, Class 6A1, 5.25%,<br>7/25/35 (b)  | 399   | 388,958    |
| Series 2006-4F, Class 1A1, 5.00%, 5/25/36  | 824   | 706,005    |
| Series 2006-AR1, Class 2A1, 2.81%,<br>1/25/36 (b)  | 732   | 630,129    |
| Series 2007-4F, Class 3A1, 6.00%, 7/25/37  | 920   | 883,367    |
| Homebanc Mortgage Trust, Series 2006-2,<br>Class A1, 0.44%, 12/25/36 (b)                 | 723   | 563,042    |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37            | 1,100 | 964,887    |
| <b>JPMorgan Mortgage Trust:</b>  |       |            |
| Series 2006-S3, Class 1A12, 6.50%, 8/25/36   | 677   | 664,324    |
| Series 2007-S1, Class 2A22, 5.75%, 3/25/37   | 651   | 560,013    |
| Merrill Lynch Mortgage Investors, Inc., Series<br>2006-A3, Class 3A1, 3.78%, 5/25/36 (b) | 750   | 572,897    |
| Residential Funding Mortgage Securities I, Series<br>2007-S6, Class 1A16, 6.00%, 6/25/37 | 524   | 462,693    |
| Structured Asset Securities Corp., Series 2002-AL1,<br>Class A2, 3.45%, 2/25/32          | 1,592 | 1,508,967  |
| <b>Wells Fargo Mortgage-Backed Securities Trust:</b>                                     |       |            |
| Series 2006, Class 1A29, 6.00%, 8/25/36  | 593   | 591,712    |
| Series 2006-3, Class A9, 5.50%, 3/25/36  | 460   | 466,513    |
| Series 2007-8, Class 2A9, 6.00%, 7/25/37   | 524   | 505,154    |
| Series 2007-10, Class 1A21, 6.00%, 7/25/37   | 223   | 221,576    |
|  |       | 26,757,280 |

**Commercial Mortgage-Backed Securities 13.3%**

|  |       |           |
|--|-------|-----------|
| <b>Banc of America Commercial Mortgage, Inc.:</b>        |       |           |
| Series 2006-4, Class A4, 5.63%, 7/10/46                  | 420   | 456,014   |
| Series 2006-4, Class AM, 5.68%, 7/10/46                  | 250   | 262,516   |
| Series 2007-1, Class A4, 5.45%, 1/15/49                  | 1,520 | 1,619,758 |
| Series 2007-2, Class A4, 5.69%, 4/10/49 (b)              | 750   | 804,771   |
| <b>Bear Stearns Commercial Mortgage Securities,</b>      |       |           |
| Series 2007-PW17, Class A4, 5.69%, 6/11/50 (b)           | 870   | 941,924   |
| <b>CS First Boston Mortgage Securities Corp., Series</b> |       |           |
| 2002-CP5, Class A2, 4.94%, 12/15/35                      | 2,720 | 2,846,124 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
(Percentages shown are based on Net Assets)

| Non-Agency Mortgage-Backed Securities  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Commercial Mortgage-Backed Securities (concluded)</b>   |              |              |
| Citigroup Commercial Mortgage Trust, Series 2008-C7, Class A4, 6.10%, 12/10/49 (b)                   | USD 1,370    | \$ 1,505,121 |
| Commercial Mortgage Pass-Through Certificates, Series 2004-LB3A, Class A3, 5.09%, 7/10/37 (b)        | 960          | 965,501      |
| Credit Suisse Mortgage Capital Certificates (b):<br>Series 2006-C3, Class AM, 5.83%, 6/15/38         | 1,000        | 1,054,967    |
| Series 2010-RR2, Class 2A, 5.80%,<br>9/15/39 (a)   | 1,010        | 1,098,384    |
| Extended Stay America Trust, Series 2010-ESHA (a):<br>Class A, 2.95%, 11/05/27                       | 2,544        | 2,523,389    |
| Class C, 4.86%, 11/05/27   | 1,005        | 1,042,587    |
| First Union National Bank Commercial Mortgage:<br>Series 2001-C3, Class A3, 6.42%, 8/15/33           | 1,254        | 1,260,450    |
| Series 2001-C4, Class A2, 6.22%, 12/12/33  | 1,937        | 1,975,134    |
| GMAC Commercial Mortgage Securities, Inc.,<br>Series 2002-C3, Class A2, 4.93%, 7/10/39               | 2,350        | 2,455,871    |
| GS Mortgage Securities Corp. II, Series 2010-C2,<br>Class C, 5.23%, 12/10/43 (a)(b)                  | 900          | 908,863      |
| JPMorgan Chase Commercial Mortgage<br>Securities Corp.:<br>Series 2001-C1, Class A3, 5.86%, 10/12/35 | 1,841        | 1,858,449    |
| Series 2004-CB8, Class A1A, 4.16%,<br>1/12/39 (a)  | 748          | 763,664      |
| Series 2004-CBX, Class A4, 4.53%, 1/12/37  | 2,180        | 2,209,522    |
| Series 2006-CB14, Class AM, 5.45%,<br>12/12/44 (b)   | 330          | 343,812      |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45   | 730          | 711,852      |
| Series 2007-CB19, Class A4, 5.74%,<br>2/12/49 (b)  | 640          | 689,319      |
| LB-UBS Commercial Mortgage Trust (b):<br>Series 2007-C6, Class A4, 5.86%, 7/15/40                    | 1,761        | 1,901,423    |
| Series 2007-C7, Class A3, 5.87%, 9/15/45   | 700          | 755,432      |
| Merrill Lynch Mortgage Trust, Series 2004-BPC1,<br>Class A3, 4.47%, 10/12/41 (b)                     | 4,200        | 4,253,371    |
| Morgan Stanley Capital I:<br>Series 2004-HQ4, Class A7, 4.97%, 4/14/40                               | 1,000        | 1,061,717    |
| Series 2005-T17, Class A4, 4.52%, 12/13/41   | 2,525        | 2,560,777    |
| Wachovia Bank Commercial Mortgage Trust:<br>Series 2005-C21, Class A3, 5.20%,<br>10/15/44 (b)        | 156          | 159,191      |
| Series 2006-C28, Class A2, 5.50%, 10/15/48   | 7,374        | 7,475,260    |
| Series 2007-C33, Class A4, 5.90%, 2/15/51 (b)  | 1,935        | 2,090,161    |
|  |              | 48,555,324   |
| <b>Total Non-Agency Mortgage-Backed Securities</b> 20.6%   |              | 75,312,604   |

| Other Interests (i)                              | Beneficial<br>Interest<br>(000) |            |
|--|---------------------------------|------------|
| <b>Health Care Providers &amp; Services 0.0%</b> |                                 |            |
| Critical Care Systems International, Inc. (c)    | 2                               | 191        |
| <b>Total Other Interests 0.0%</b>                |                                 | <b>191</b> |

**Preferred Securities**

| Capital Trusts                             | Par<br>(000) | Value            |
|--|--------------|------------------|
| <b>Capital Markets 0.2%</b>                |              |                  |
| Credit Suisse Guernsey Ltd., 5.86% (b)(j)  | USD 494      | \$ 477,327       |
| <b>Insurance 0.7%</b>                      |              |                  |
| The Allstate Corp., 6.50%, 5/15/67 (b)     | 1,950        | 2,001,187        |
| Lincoln National Corp., 6.05%, 4/20/67 (b) | 675          | 645,503          |
|  |              | <u>2,646,690</u> |
| <b>Total Capital Trusts 0.9%</b>           |              | <b>3,124,017</b> |

| Preferred Stocks                                      | Shares |                  |
|---|--------|------------------|
| <b>Automobiles 0.4%</b>                               |        |                  |
| General Motors Co., 4.75%                             | 30,000 | 1,526,400        |
| <b>Media 0.0%</b>                                     |        |                  |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(c) | 12,033 |                  |
| <b>Total Preferred Stocks 0.4%</b>                    |        | <b>1,526,400</b> |
| <b>Total Preferred Securities 1.3%</b>                |        | <b>4,650,417</b> |

| Taxable Municipal Bonds   | Par<br>(000) |                  |
|---|--------------|------------------|
| City of Chicago Illinois, RB, Build America Bonds,<br>6.40%, 1/01/40            | USD 250      | 240,293          |
| East Bay Municipal Utility District, RB, Build America<br>Bonds, 5.87%, 6/01/40 | 950          | 953,078          |
|   | <u>1,275</u> | <u>1,307,028</u> |



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|   |       |                   |
|---|-------|-------------------|
| Indianapolis Local Public Improvement Bond Bank,<br>RB, Build America Bonds, 6.12%, 1/15/40 |       |                   |
| Metropolitan Transportation Authority, RB, Build<br>America Bonds, 7.34%, 11/15/39          | 625   | 713,125           |
| New York City Municipal Water Finance Authority, RB:<br>Build America Bonds, 5.72%, 6/15/42 | 700   | 686,350           |
| Second General Resolution, Series EE, 5.38%,<br>6/15/43                                     | 385   | 390,386           |
| Second General Resolution, Series EE, 5.50%,<br>6/15/43                                     | 465   | 477,722           |
| New York State Dormitory Authority, RB, Build<br>America Bonds:<br>5.63%, 3/15/39           | 550   | 540,447           |
| 5.60%, 3/15/40  | 950   | 896,762           |
| Port Authority of New York & New Jersey, RB,<br>Consolidated, 159th Series, 6.04%, 12/01/29 | 385   | 393,666           |
| State of California, GO:<br>Build America Bonds, 7.30%, 10/01/39                            | 1,090 | 1,146,822         |
| Build America Bonds, 7.35%, 11/01/39  | 540   | 571,509           |
| Build America Bonds, Various Purpose,<br>7.50%, 4/01/34                                     | 360   | 389,113           |
| Various Purpose, Series 3, 5.45%, 4/01/15   | 2,300 | 2,429,076         |
| University of California, RB, Build America Bonds,<br>5.95%, 5/15/45                        | 445   | 411,785           |
| <b>Total Taxable Municipal Bonds 3.2%</b>   |       | <b>11,547,162</b> |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| U.S. Government Sponsored Agency Securities     |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Agency Obligations 2.7%</b>                  |     |              |              |
| Fannie Mae:                                     |     |              |              |
| 6.44%, 10/09/19 (d)(k)                          | USD | 5,875        | \$ 3,919,500 |
| 5.63%, 7/15/37 (l)                              |     | 775          | 865,811      |
| Federal Home Loan Banks:                        |     |              |              |
| 5.25%, 12/09/22 (l)                             |     | 675          | 745,391      |
| 5.37%, 9/09/24 (d)                              |     | 1,075        | 1,192,130    |
| Resolution Funding Corp. (k):                   |     |              |              |
| 6.39%, 7/15/18                                  |     | 525          | 410,908      |
| 6.39%, 10/15/18                                 |     | 525          | 405,901      |
| Tennessee Valley Authority, 5.25%, 9/15/39 (d)  |     | 2,355        | 2,466,387    |
|   |     |              | 10,006,028   |
| <b>Collateralized Mortgage Obligations 0.5%</b> |     |              |              |
| Fannie Mae Mortgage-Backed Securities, Series   |     |              |              |
| 2005-5, Class PK, 5.00%, 12/25/34               |     | 1,043        | 1,110,085    |
| Freddie Mac Mortgage-Backed Securities, Series  |     |              |              |
| 2825, Class VP, 5.50%, 6/15/15                  |     | 803          | 867,047      |
|   |     |              | 1,977,132    |
| <b>Federal Deposit Insurance Corporation</b>    |     |              |              |
| <b>Guaranteed 0.7%</b>                          |     |              |              |
| General Electric Capital Corp. (d):             |     |              |              |
| 2.00%, 9/28/12                                  |     | 1,850        | 1,891,092    |
| 2.13%, 12/21/12                                 |     | 515          | 527,962      |
|   |     |              | 2,419,054    |
| <b>Interest Only Collateralized Mortgage</b>    |     |              |              |
| <b>Obligations 0.1%</b>                         |     |              |              |
| Freddie Mac Mortgage-Backed Securities:         |     |              |              |
| Series 2579, Class HI, 5.00%, 8/15/17           |     | 589          | 27,933       |
| Series 2611, Class QL, 5.50%, 9/15/32           |     | 2,405        | 317,147      |
|   |     |              | 345,080      |
| <b>Mortgage-Backed Securities 60.4%</b>         |     |              |              |
| Fannie Mae Mortgage-Backed Securities (m):      |     |              |              |
| 4.00%, 3/15/41                                  |     | 45,400       | 44,931,989   |
| 4.50%, 3/15/41                                  |     | 43,100       | 43,928,339   |
| 5.00%, 3/15/26 4/15/41                          |     | 54,600       | 57,137,707   |
| 5.50%, 3/15/26 4/15/41                          |     | 41,900       | 44,770,955   |
| 6.00%, 8/01/29 3/15/41 (d)                      |     | 25,841       | 28,115,657   |
| Freddie Mac Mortgage-Backed Securities:         |     |              |              |
| 4.50%, 3/15/41 (m)                              |     | 100          | 101,828      |
| 5.00%, 3/15/41 (m)                              |     | 100          | 104,609      |

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|  |     |             |
|--|-----|-------------|
| 6.00%, 2/01/13 12/01/18                                  | 992 | 1,084,462   |
| Ginnie Mae Mortgage-Backed Securities, 5.50%,<br>8/15/33 | 140 | 152,877     |
|  |     | 220,328,423 |

**Total U.S. Government Sponsored Agency Securities 64.4%** 235,075,717

**U.S. Treasury Obligations**

|                      |        |            |
|----------------------|--------|------------|
| U.S. Treasury Bonds: |        |            |
| 8.13%, 8/15/21 (d)   | 1,550  | 2,189,617  |
| 6.25%, 8/15/23 (d)   | 5,720  | 7,138,383  |
| 3.50%, 2/15/39 (e)   | 330    | 277,510    |
| 4.38%, 5/15/40 (d)   | 6,375  | 6,249,476  |
| 3.88%, 8/15/40 (d)   | 2,560  | 2,298,399  |
| 4.25%, 11/15/40      | 11,625 | 11,150,921 |
| 4.75%, 2/15/41 (d)   | 4,975  | 5,187,990  |

| U.S. Treasury Obligations                    |     | Par<br>(000) |    | Value       |
|--|-----|--------------|----|-------------|
| U.S. Treasury Notes:                         |     |              |    |             |
| 0.63%, 1/31/13 (d)                           | USD | 8,720        | \$ | 8,715,570   |
| 0.50%, 10/15/13 (d)(e)                       |     | 2,695        |    | 2,661,312   |
| 1.25%, 2/15/14                               |     | 1,840        |    | 1,844,600   |
| 2.00%, 1/31/16 (d)                           |     | 20,415       |    | 20,317,702  |
| 2.63%, 1/31/18                               |     | 2,605        |    | 2,575,897   |
| 2.63%, 8/15/20                               |     | 1,105        |    | 1,038,700   |
| 2.63%, 11/15/20 (d)                          |     | 23,506       |    | 21,992,333  |
| 3.63%, 2/15/21 (d)                           |     | 3,550        |    | 3,612,679   |
| 4.25%, 5/15/39 (d)                           |     | 6,045        |    | 5,816,426   |
| <b>Total U.S. Treasury Obligations 28.3%</b> |     |              |    | 103,067,515 |

| Warrants (n)  | Shares |
|---|--------|
| <b>Media 0.0%</b>   |        |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (a) | 13,751 |
| <b>Software 0.0%</b>  |        |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)    | 90     |
| <b>Total Warrants 0.0%</b>                                    | 1      |

**Total Long-Term Investments (Cost \$711,383,341) 199.7%** 728,575,189

**Short-Term Securities**

|   |           |           |
|---|-----------|-----------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (o)(p) | 2,222,695 | 2,222,695 |
|---|-----------|-----------|

**Total Short-Term Securities**

|                                |  |           |
|--------------------------------|--|-----------|
| <b>(Cost \$2,222,695) 0.6%</b> |  | 2,222,695 |
|--------------------------------|--|-----------|

**Options Purchased****Contracts****Exchange-Traded Call Options 0.0%**

|   |    |        |
|---|----|--------|
| 10-Year U.S. Treasury Note, Strike Price USD 120.50,<br>Expires 5/20/11 | 98 | 93,406 |
|---|----|--------|

**Exchange-Traded Put Options 0.1%**

|   |    |        |
|---|----|--------|
| 10-Year U.S. Treasury Note, Strike Price USD 117.50,<br>Expires 3/25/11 | 71 | 26,625 |
|---|----|--------|

|   |     |         |
|---|-----|---------|
| Eurodollar 1-Year Mid-Curve Options, Strike Price<br>USD 98.25, Expires 9/16/11 | 264 | 174,900 |
|---|-----|---------|

---

201,525

**Notional  
Amount  
(000)****Over-the-Counter Call Swaptions 0.9%**

|   |     |       |         |
|---|-----|-------|---------|
| Receive a fixed rate of 4.22% and pay a floating rate<br>based on 3-month LIBOR, Expires 4/29/11,<br>Broker Credit Suisse International | USD | 9,000 | 484,448 |
|---|-----|-------|---------|

|   |  |       |        |
|---|--|-------|--------|
| Receive a fixed rate of 3.65% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/05/11,<br>Broker Credit Suisse International |  | 5,700 | 97,996 |
|---|--|-------|--------|

|  |  |       |         |
|--|--|-------|---------|
| Receive a fixed rate of 4.01% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/16/11,<br>Broker Goldman Sachs Bank USA |  | 6,000 | 229,883 |
|--|--|-------|---------|

|  |  |        |         |
|--|--|--------|---------|
| Receive a fixed rate of 3.86% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/19/11,<br>Broker JPMorgan Chase Bank NA |  | 10,700 | 306,334 |
|--|--|--------|---------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Options Purchased  |     | Notional<br>Amount<br>(000) |    | Value   |
|--|-----|-----------------------------|----|---------|
| <b>Over-the-Counter Call Swaptions (concluded)</b>   |     |                             |    |         |
| Receive a fixed rate of 3.00% and pay a floating rate based on 3-month LIBOR, Expires 9/02/11,<br>Broker UBS AG                                | USD | 5,000                       | \$ | 21,334  |
| Receive a fixed rate of 3.12% and pay a floating rate based on 3-month LIBOR, Expires 11/08/11,<br>Broker Deutsche Bank AG                     |     | 3,000                       |    | 21,765  |
| Receive a fixed rate of 3.54% and pay a floating rate based on 3-month LIBOR, Expires 12/01/11,<br>Broker Citibank NA                          |     | 6,500                       |    | 113,658 |
| Receive a fixed rate of 3.63% and pay a floating rate based on 3-month LIBOR, Expires 12/02/11,<br>Broker Deutsche Bank AG                     |     | 3,200                       |    | 65,972  |
| Receive a fixed rate of 3.99% and pay a floating rate based on 3-month LIBOR, Expires 1/12/12,<br>Broker UBS AG                                |     | 1,700                       |    | 59,532  |
| Receive a fixed rate of 1.76% and pay a floating rate based on 3-month LIBOR, Expires 1/26/12,<br>Broker Deutsche Bank AG                      |     | 9,300                       |    | 61,470  |
| Receive a fixed rate of 4.29% and pay a floating rate based on 3-month LIBOR, Expires 2/06/12,<br>Broker UBS AG                                |     | 2,100                       |    | 104,266 |
| Receive a fixed rate of 4.33% and pay a floating rate based on 3-month LIBOR, Expires 2/07/12,<br>Broker Goldman Sachs Bank USA                |     | 2,100                       |    | 108,757 |
| Receive a fixed rate of 4.39% and pay a floating rate based on 3-month LIBOR, Expires 5/08/12,<br>Broker Citibank NA                           |     | 2,400                       |    | 125,772 |
| Receive a fixed rate of 3.89% and pay a floating rate based on 3-month LIBOR, Expires 7/09/12,<br>Broker Goldman Sachs Bank USA                |     | 4,200                       |    | 124,617 |
| Receive a fixed rate of 3.93% and pay a floating rate based on 3-month LIBOR, Expires 7/16/12,<br>Broker Goldman Sachs Bank USA                |     | 4,700                       |    | 146,009 |
| Receive a fixed rate of 3.70% and pay a floating rate based on 3-month LIBOR, Expires 8/03/12,<br>Broker Credit Suisse International           |     | 4,800                       |    | 113,574 |
| Receive a fixed rate of 3.30% and pay a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker JPMorgan Chase Bank NA               |     | 4,000                       |    | 57,019  |
| Receive a fixed rate of 3.46% and pay a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker UBS AG                               |     | 5,500                       |    | 96,396  |
| Receive a fixed rate of 4.25% and pay a floating rate based on 3-month LIBOR, Expires 1/14/13,<br>Broker Morgan Stanley Capital Services, Inc. |     | 2,100                       |    | 87,952  |
| Receive a fixed rate of 3.81% and pay a floating rate based on 3-month LIBOR, Expires 9/17/13,<br>Broker Citibank NA                           |     | 1,500                       |    | 39,970  |
|  |     | 2,000                       |    | 57,239  |

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Receive a fixed rate of 3.88% and pay a floating rate based on 3-month LIBOR, Expires 10/28/13, Broker Deutsche Bank AG

Receive a fixed rate of 5.20% and pay a floating rate based on 3-month LIBOR, Expires 4/28/15, Broker Citibank NA

9,300 661,248

3,185,211

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

EUR Put Option, Strike Price USD 1.32, Expires 5/19/11, Broker Citibank NA

EUR 12,780 121,510

JPY Put Option, Strike Price USD 86.00, Expires 5/20/11, Broker Deutsche Bank AG

USD 2,925 10,472

131,982

| Options Purchased | Notional Amount (000) | Value |
|-------------------|-----------------------|-------|
|-------------------|-----------------------|-------|

**Over-the-Counter Put Swaptions 1.2%**

Pay a fixed rate of 4.22% and receive a floating rate based on 3-month LIBOR, Expires 4/29/11, Broker Credit Suisse International

USD 9,000 \$ 19,960

Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 5/05/11, Broker Credit Suisse International

9,200 46,807

Pay a fixed rate of 4.01% and receive a floating rate based on 3-month LIBOR, Expires 5/16/11, Broker Goldman Sachs Bank USA

6,000 39,250

Pay a fixed rate of 3.86% and receive a floating rate based on 3-month LIBOR, Expires 5/19/11, Broker JPMorgan Chase Bank NA

10,700 111,360

Pay a fixed rate of 3.00% and receive a floating rate based on 3-month LIBOR, Expires 9/02/11, Broker UBS AG

5,000 358,717

Pay a fixed rate of 3.12% and receive a floating rate based on 3-month LIBOR, Expires 11/08/11, Broker Deutsche Bank AG

3,000 216,492

Pay a fixed rate of 3.54% and receive a floating rate based on 3-month LIBOR, Expires 12/01/11, Broker Citibank NA

6,500 323,870

Pay a fixed rate of 3.63% and receive a floating rate based on 3-month LIBOR, Expires 12/02/11, Broker Deutsche Bank AG

3,200 144,109

Pay a fixed rate of 3.99% and receive a floating rate based on 3-month LIBOR, Expires 1/12/12, Broker UBS AG

1,700 57,834

Pay a fixed rate of 1.76% and receive a floating rate based on 3-month LIBOR, Expires 1/26/12, Broker Deutsche Bank AG

9,300 75,871

Pay a fixed rate of 2.50% and receive a floating rate based on 3-month LIBOR, Expires 1/26/12, Broker Deutsche Bank AG

4,500 17,797

Pay a fixed rate of 4.29% and receive a floating rate based on 3-month LIBOR, Expires 2/06/12, Broker UBS AG

2,100 54,748

Pay a fixed rate of 4.33% and receive a floating rate based on 3-month LIBOR, Expires 2/07/12,

2,100 52,458

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|   |       |         |
|---|-------|---------|
| Broker UBS AG   |       |         |
| Pay a fixed rate of 4.39% and receive a floating rate based on 3-month LIBOR, Expires 5/08/12,  |       |         |
| Broker Citibank NA  | 2,400 | 74,776  |
| Pay a fixed rate of 3.89% and receive a floating rate based on 3-month LIBOR, Expires 7/09/12,  |       |         |
| Broker Goldman Sachs Bank USA   | 4,200 | 237,205 |
| Pay a fixed rate of 3.93% and receive a floating rate based on 3-month LIBOR, Expires 7/16/12,  |       |         |
| Broker Goldman Sachs Bank USA   | 4,700 | 259,789 |
| Pay a fixed rate of 3.70% and receive a floating rate based on 3-month LIBOR, Expires 8/03/12,  |       |         |
| Broker Credit Suisse International  | 4,800 | 326,799 |
| Pay a fixed rate of 3.30% and receive a floating rate based on 3-month LIBOR, Expires 10/22/12, |       |         |
| Broker JPMorgan Chase Bank NA   | 4,000 | 393,369 |
| Pay a fixed rate of 3.46% and receive a floating rate based on 3-month LIBOR, Expires 10/22/12, |       |         |
| Broker UBS AG   | 5,500 | 489,653 |
| Pay a fixed rate of 4.25% and receive a floating rate based on 3-month LIBOR, Expires 1/14/13,  |       |         |
| Broker Morgan Stanley Capital Services, Inc.  | 2,100 | 117,736 |
| Pay a fixed rate of 3.81% and receive a floating rate based on 3-month LIBOR, Expires 9/17/13,  |       |         |
| Broker Citibank NA  | 1,500 | 139,443 |

See Notes to Financial Statements.

Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
(Percentages shown are based on Net Assets)

| Options Purchased   | Notional<br>Amount<br>(000) | Value            |
|---|-----------------------------|------------------|
| <b>Over-the-Counter Put Swaptions (concluded)</b>   |                             |                  |
| Pay a fixed rate of 3.88% and receive a floating rate based on 3-month LIBOR, Expires 10/28/13, Broker Deutsche Bank AG | USD 2,000                   | \$ 182,448       |
| Pay a fixed rate of 5.20% and receive a floating rate based on 3-month LIBOR, Expires 4/28/15, Broker Citibank NA       | 9,300                       | 533,684          |
|   |                             | <u>4,274,175</u> |
| <b>Total Options Purchased</b><br>(Cost \$9,378,271) 2.2%   |                             | 7,886,299        |
| <b>Total Investments Before TBA Sale</b><br><b>Commitments and Options Written</b><br>(Cost \$722,984,307*) 202.4%      |                             | 738,684,183      |

| TBA Sale Commitments (m)  | Par<br>(000) |               |
|---|--------------|---------------|
| Fannie Mae Mortgage-Backed Securities:                                |              |               |
| 4.00%, 3/15/41  | 34,200       | (33,719,080)  |
| 4.50%, 3/15/41  | 33,600       | (34,245,758)  |
| 5.00%, 3/15/26 4/15/41  | 50,700       | (53,043,895)  |
| 5.50%, 3/15/26 4/15/41  | 36,000       | (38,450,934)  |
| 6.00%, 8/01/29 3/15/41  | 32,000       | (34,746,082)  |
| Ginnie Mae Mortgage-Backed Securities,<br>5.50%, 8/15/33              | 100          | (108,312)     |
| <b>Total TBA Sale Commitments</b><br>(Proceeds \$193,476,453) (53.3)% |              | (194,314,061) |

| Options Written                            | Contracts |                  |
|--|-----------|------------------|
| <b>Exchange-Traded Call Options (0.0)%</b> |           |                  |
| 10-Year U.S. Treasury Note:                |           |                  |
| Strike Price USD 121.50, Expires 5/20/11   | 98        | (62,781)         |
| Strike Price USD 122.50, Expires 5/20/11   | 98        | (39,813)         |
|  |           | <u>(102,594)</u> |



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**Exchange-Traded Put Options (0.0)%**

|  |     |          |
|--|-----|----------|
| Eurodollar 1-Year Mid-Curve Options, Strike Price USD 97.75, Expires 9/16/11 | 264 | (92,400) |
|--|-----|----------|

**Notional  
Amount  
(000)**

**Over-the-Counter Call Swaptions (1.2)%**

|   |     |       |           |
|---|-----|-------|-----------|
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 5/12/11,<br>Broker Royal Bank of Scotland Plc | USD | 6,800 | (286,459) |
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 5/13/11,<br>Broker BNP Paribas SA             |     | 3,500 | (146,820) |
| Pay a fixed rate of 4.49% and receive a floating rate based on 3-month LIBOR, Expires 12/05/11,<br>Broker Deutsche Bank AG          |     | 4,000 | (254,121) |
| Pay a fixed rate of 3.82% and receive a floating rate based on 3-month LIBOR, Expires 12/08/11,<br>Broker JPMorgan Chase Bank NA    |     | 3,200 | (89,139)  |
| Pay a fixed rate of 3.83% and receive a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker JPMorgan Chase Bank NA    |     | 2,300 | (64,772)  |
| Pay a fixed rate of 3.85% and receive a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker UBS AG                    |     | 1,200 | (35,207)  |

**Notional  
Amount  
(000)**

**Value**

**Options Written**

**Over-the-Counter Call Swaptions (continued)**

|  |     |       |              |
|--|-----|-------|--------------|
| Pay a fixed rate of 3.95% and receive a floating rate based on 3-month LIBOR, Expires 12/13/11,<br>Broker Goldman Sachs Bank USA | USD | 3,500 | \$ (117,705) |
| Pay a fixed rate of 4.00% and receive a floating rate based on 3-month LIBOR, Expires 1/05/12,<br>Broker JPMorgan Chase Bank NA  |     | 3,200 | (113,951)    |
| Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 2/02/12,<br>Broker Goldman Sachs Bank USA  |     | 2,700 | (97,121)     |
| Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 2/02/12,<br>Broker UBS AG                  |     | 3,600 | (130,312)    |
| Pay a fixed rate of 2.08% and receive a floating rate based on 3-month LIBOR, Expires 2/07/12,<br>Broker Goldman Sachs Bank USA  |     | 9,300 | (97,025)     |
| Pay a fixed rate of 4.14% and receive a floating rate based on 3-month LIBOR, Expires 6/15/12,<br>Broker Deutsche Bank AG        |     | 3,700 | (147,241)    |
| Pay a fixed rate of 4.05% and receive a floating rate based on 3-month LIBOR, Expires 6/18/12,<br>Broker Deutsche Bank AG        |     | 3,500 | (126,281)    |
| Pay a fixed rate of 3.83% and receive a floating rate based on 3-month LIBOR, Expires 7/30/12,<br>Broker Citibank NA             |     | 1,200 | (33,263)     |
| Pay a fixed rate of 3.86% and receive a floating rate based on 3-month LIBOR, Expires 11/23/12,<br>Broker Deutsche Bank AG       |     | 4,600 | (129,889)    |

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|  |     |       |           |
|--|-----|-------|-----------|
| Pay a fixed rate of 3.77% and receive a floating rate based on 3-month LIBOR, Expires 11/23/12,<br>Broker UBS AG                     |     | 3,300 | (84,998)  |
| Pay a fixed rate of 4.03% and receive a floating rate based on 3-month LIBOR, Expires 12/06/12,<br>Broker UBS AG                     |     | 2,000 | (67,904)  |
| Pay a fixed rate of 4.90% and receive a floating rate based on 3-month LIBOR, Expires 3/04/13,<br>Broker Deutsche Bank AG            |     | 4,800 | (337,450) |
| Pay a fixed rate of 4.92% and receive a floating rate based on 3-month LIBOR, Expires 3/05/13,<br>Broker Deutsche Bank AG            |     | 7,000 | (500,989) |
| Pay a fixed rate of 5.00% and receive a floating rate based on 3-month LIBOR, Expires 4/22/13,<br>Broker JPMorgan Chase Bank NA      |     | 6,100 | (454,027) |
| Pay a fixed rate of 4.32% and receive a floating rate based on 3-month LIBOR, Expires 5/28/13,<br>Broker Royal Bank of Scotland Plc  |     | 500   | (21,535)  |
| Pay a fixed rate of 4.07% and receive a floating rate based on 3-month LIBOR, Expires 7/08/13,<br>Broker Deutsche Bank AG            |     | 1,700 | (58,418)  |
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 7/15/13,<br>Broker Credit Suisse International |     | 2,600 | (88,458)  |
| Pay a fixed rate of 3.44% and receive a floating rate based on 6-month EURIBOR, Expires 10/21/13,<br>Broker Deutsche Bank AG         | EUR | 1,300 | (684)     |
| Pay a fixed rate of 4.76% and receive a floating rate based on 3-month LIBOR, Expires 1/27/14,<br>Broker Royal Bank of Scotland Plc  | USD | 1,100 | (63,692)  |
| Pay a fixed rate of 5.08% and receive a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Bank of America NA          |     | 3,500 | (249,986) |
| Pay a fixed rate of 5.09% and receive a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Goldman Sachs Bank USA      |     | 3,800 | (273,165) |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Core Bond Trust (BHK)**  
 (Percentages shown are based on Net Assets)

| Options Written   | Notional<br>Amount<br>(000) | Value        |
|---|-----------------------------|--------------|
| <b>Over-the-Counter Call Swaptions (concluded)</b>  |                             |              |
| Pay a fixed rate of 4.84% and receive a floating rate based on 3-month LIBOR, Expires 12/02/14,<br>Broker JPMorgan Chase Bank NA    | USD 2,500                   | \$ (145,141) |
| Pay a fixed rate of 4.89% and receive a floating rate based on 3-month LIBOR, Expires 12/03/14,<br>Broker Deutsche Bank AG          | 2,900                       | (173,813)    |
|   |                             | (4,389,566)  |
| <b>Over-the-Counter Put Swaptions (1.2)%</b>  |                             |              |
| Receive a fixed rate of 1.80% and pay a floating rate based on 3-month LIBOR, Expires 3/02/11,<br>Broker Royal Bank of Scotland Plc | 14,000                      | (368,745)    |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 4/26/11,<br>Broker Deutsche Bank AG           | 3,700                       | (64,791)     |
| Receive a fixed rate of 4.06% and pay a floating rate based on 3-month LIBOR, Expires 5/12/11,<br>Broker Royal Bank of Scotland Plc | 6,800                       | (35,210)     |
| Receive a fixed rate of 4.06% and pay a floating rate based on 3-month LIBOR, Expires 5/13/11,<br>Broker BNP Paribas SA             | 3,500                       | (18,611)     |
| Receive a fixed rate of 4.49% and pay a floating rate based on 3-month LIBOR, Expires 12/05/11,<br>Broker Deutsche Bank AG          | 4,000                       | (62,389)     |
| Receive a fixed rate of 3.82% and pay a floating rate based on 3-month LIBOR, Expires 12/08/11,<br>Broker JPMorgan Chase Bank NA    | 3,200                       | (118,383)    |
| Receive a fixed rate of 3.83% and pay a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker JPMorgan Chase Bank NA    | 2,300                       | (85,302)     |
| Receive a fixed rate of 3.85% and pay a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker UBS AG                    | 1,200                       | (43,090)     |
| Receive a fixed rate of 3.95% and pay a floating rate based on 3-month LIBOR, Expires 12/13/11,<br>Broker Goldman Sachs Bank USA    | 3,500                       | (112,524)    |
| Receive a fixed rate of 4.00% and pay a floating rate based on 3-month LIBOR, Expires 1/05/12,<br>Broker JPMorgan Chase Bank NA     | 3,200                       | (105,090)    |
| Receive a fixed rate of 4.02% and pay a floating rate based on 3-month LIBOR, Expires 2/02/12,<br>Broker Goldman Sachs Bank USA     | 2,700                       | (95,026)     |
| Receive a fixed rate of 4.02% and pay a floating rate based on 3-month LIBOR, Expires 2/02/12,<br>Broker UBS AG                     | 3,600                       | (126,012)    |
| Receive a fixed rate of 2.08% and pay a floating rate based on 3-month LIBOR, Expires 2/07/12,                                      | 9,300                       | (58,916)     |

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|   |     |       |                              |              |
|---|-----|-------|------------------------------|--------------|
| Broker Goldman Sachs Bank USA   |     |       |                              |              |
| Receive a fixed rate of 4.14% and pay a floating rate based on 3-month LIBOR, Expires 6/15/12,    |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 3,700 |                              | (160,559)    |
| Receive a fixed rate of 4.05% and pay a floating rate based on 3-month LIBOR, Expires 6/18/12,    |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 3,500 |                              | (165,142)    |
| Receive a fixed rate of 3.83% and pay a floating rate based on 3-month LIBOR, Expires 7/30/12,    |     |       |                              |              |
| Broker Citibank NA  |     | 1,200 |                              | (73,305)     |
| Receive a fixed rate of 3.86% and pay a floating rate based on 3-month LIBOR, Expires 11/23/12,   |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 4,600 |                              | (322,745)    |
| Receive a fixed rate of 3.77% and pay a floating rate based on 3-month LIBOR, Expires 11/23/12,   |     |       |                              |              |
| Broker UBS AG   |     | 3,300 |                              | (245,375)    |
|   |     |       | <b>Notional Amount (000)</b> | <b>Value</b> |
| <b>Options Written</b>  |     |       |                              |              |
| <b>Over-the-Counter Put Swaptions (concluded)</b>   |     |       |                              |              |
| Receive a fixed rate of 4.03% and pay a floating rate based on 3-month LIBOR, Expires 12/06/12,   |     |       |                              |              |
| Broker UBS AG   | USD | 2,000 | \$                           | (125,738)    |
| Receive a fixed rate of 4.90% and pay a floating rate based on 3-month LIBOR, Expires 3/04/13,    |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 4,800 |                              | (177,227)    |
| Receive a fixed rate of 4.92% and pay a floating rate based on 3-month LIBOR, Expires 3/05/13,    |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 7,000 |                              | (253,940)    |
| Receive a fixed rate of 5.00% and pay a floating rate based on 3-month LIBOR, Expires 4/22/13,    |     |       |                              |              |
| Broker JPMorgan Chase Bank NA   |     | 6,100 |                              | (223,818)    |
| Receive a fixed rate of 4.32% and pay a floating rate based on 3-month LIBOR, Expires 5/28/13,    |     |       |                              |              |
| Broker Royal Bank of Scotland Plc   |     | 500   |                              | (31,169)     |
| Receive a fixed rate of 4.07% and pay a floating rate based on 3-month LIBOR, Expires 7/08/13,    |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 1,700 |                              | (128,711)    |
| Receive a fixed rate of 4.06% and pay a floating rate based on 3-month LIBOR, Expires 7/15/13,    |     |       |                              |              |
| Broker Credit Suisse International  |     | 2,600 |                              | (199,177)    |
| Receive a fixed rate of 3.44% and pay a floating rate based on 6-month EURIBOR, Expires 10/21/13, |     |       |                              |              |
| Broker Deutsche Bank AG   | EUR | 1,300 |                              | (504)        |
| Receive a fixed rate of 4.76% and pay a floating rate based on 3-month LIBOR, Expires 1/27/14,    |     |       |                              |              |
| Broker Royal Bank of Scotland Plc   | USD | 1,100 |                              | (63,244)     |
| Receive a fixed rate of 5.08% and pay a floating rate based on 3-month LIBOR, Expires 2/10/14,    |     |       |                              |              |
| Broker Bank of America NA   |     | 3,500 |                              | (166,547)    |
| Receive a fixed rate of 5.09% and pay a floating rate based on 3-month LIBOR, Expires 2/10/14,    |     |       |                              |              |
| Broker Goldman Sachs Bank USA   |     | 3,800 |                              | (179,668)    |
| Receive a fixed rate of 4.84% and pay a floating rate based on 3-month LIBOR, Expires 12/02/14,   |     |       |                              |              |
| Broker JPMorgan Chase Bank NA   |     | 2,500 |                              | (164,970)    |
| Receive a fixed rate of 4.89% and pay a floating rate based on 3-month LIBOR, Expires 12/03/14,   |     |       |                              |              |
| Broker Deutsche Bank AG   |     | 2,900 |                              | (186,256)    |
|   |     | 7,900 |                              | (364,095)    |

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|  |                |                |
|--|----------------|----------------|
| Receive a fixed rate of 4.47% and pay a floating rate<br>based on 3-month LIBOR, Expires 8/05/15,<br>Broker JPMorgan Chase Bank NA |                | (4,526,279)    |
| <b>Total Options Written</b>   |                |                |
| <b>(Premiums Received \$9,961,055)</b>   | <b>(2.5)%</b>  | (9,110,839)    |
| <b>Total Investments, Net of TBA Sale</b>  |                |                |
| <b>Commitments and Options Written</b>   | <b>146.6%</b>  | 535,259,283    |
| <b>Liabilities in Excess of Other Assets</b>   | <b>(46.6)%</b> | (170,398,068)  |
| <b>Net Assets</b>  | <b>100.0%</b>  | \$ 364,861,215 |

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

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 723,768,152 |
| Gross unrealized appreciation | \$ 26,146,872  |
| Gross unrealized depreciation | (11,230,841)   |
| Net unrealized appreciation   | \$ 14,916,031  |

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (e) All or a portion of security has been pledged as collateral in connection with swaps.
- (f) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (h) Convertible security.
- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Security is perpetual in nature and has no stated maturity date.
- (k) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (l) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (m) Represents or includes a to-be-announced ( TBA ) transaction. Unsettled TBA transactions as of report date were as follows:

| Counterparty                          | Value           | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------------------|-----------------|--|
| Banc Nationale De Paris               | \$ 1,157,810    | \$ 2,810                                     |
| Citigroup Global Markets, Inc.        | \$ (633,236)    | \$ (106,436)                                 |
| Credit Suisse Securities (USA) LLC    | \$ 12,397,500   | \$ 141,203                                   |
| Deutsche Bank Securities, Inc.        | \$ (28,828,732) | \$ 31,186                                    |
| Goldman Sachs & Co.                   | \$ (4,581,236)  | \$ 59,756                                    |
| Greenwich Financial Services          | \$ 5,383,538    | \$ 46,710                                    |
| JPMorgan Securities, Inc.             | \$ 789,502      | \$ 18,295                                    |
| Morgan Stanley Capital Services, Inc. | \$ (44,682)     | \$ (854)                                     |
| Nomura Securities International, Inc. | \$ 36,383,969   | \$ 213,508                                   |
| UBS Securities                        | \$ 171,140      | \$ 45,593                                    |

- (n) Warrants entitle the Trust 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.
- (o) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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| Affiliate  | Shares Held<br>at<br>August 31,<br>2010 | Net<br>Activity | Shares Held<br>at<br>February 28,<br>2011 | Income   |
|--|---|-----------------|---|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 506,274                                 | 1,716,421       | 2,222,695                                 | \$ 1,843 |

(p) Represents the current yield as of report date.

Reverse repurchase agreements outstanding as of February 28, 2011 were as follows:

| Counterparty                         | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Net Closing<br>Amount | Face<br>Amount |
|--------------------------------------|------------------|---------------|------------------|-----------------------|----------------|
| Barclays Capital, Inc.               | 0.24%            | 10/19/10      | Open             | \$ 7,778,941          | \$ 7,772,050   |
| Barclays Capital, Inc.               | 0.28%            | 10/19/10      | Open             | 6,082,248             | 6,075,962      |
| Barclays Capital, Inc.               | 0.40%            | 10/19/10      | Open             | 4,803,987             | 4,796,898      |
| Credit Suisse Securities (USA), Inc. | 0.26%            | 10/19/10      | Open             | 2,366,020             | 2,363,750      |
| Credit Suisse Securities (USA), Inc. | 0.31%            | 10/19/10      | Open             | 1,850,452             | 1,848,335      |
| Barclays Capital, Inc.               | 0.26%            | 10/20/10      | Open             | 1,286,225             | 1,285,000      |
| Royal Bank of Scotland Plc           | 0.33%            | 10/26/10      | Open             | 1,373,344             | 1,371,760      |
| Credit Suisse Securities (USA), Inc. | 0.40%            | 11/03/10      | Open             | 3,138,411             | 3,138,000      |
| UBS Securities LLC                   | 0.38%            | 11/04/10      | Open             | 3,469,523             | 3,465,244      |
| Merrill Lynch & Co., Inc.            | 0.23%            | 12/13/10      | Open             | 6,330,341             | 6,327,187      |
| Merrill Lynch & Co., Inc.            | 0.24%            | 12/13/10      | Open             | 3,819,047             | 3,817,062      |
| UBS Securities LLC                   | 0.38%            | 12/13/10      | Open             | 4,165,693             | 4,162,266      |
| UBS Securities LLC                   | 0.40%            | 12/13/10      | Open             | 2,051,520             | 2,049,744      |
| Deutsche Bank AG                     | 0.40%            | 12/14/10      | Open             | 10,094,379            | 10,085,750     |
| Credit Suisse Securities (USA), Inc. | 0.26%            | 1/19/11       | Open             | 1,010,312             | 1,010,013      |
| Deutsche Bank AG                     | 0.60%            | 1/21/11       | Open             | 4,273,276             | 4,270,500      |
| Credit Suisse Securities (USA), Inc. | 0.40%            | 1/27/11       | Open             | 4,399,644             | 4,398,031      |
| Deutsche Bank AG                     | 0.40%            | 1/28/11       | Open             | 7,296,218             | 7,293,625      |
| BNP Paribas                          | 0.23%            | 2/11/11       | 3/10/11          | 2,450,282             | 2,450,000      |
| Credit Suisse Securities (USA), Inc. | 0.19%            | 2/14/11       | 3/15/11          | 4,304,606             | 4,304,288      |
| Credit Suisse Securities (USA), Inc. | 0.45%            | 2/24/11       | 3/11/11          | 8,010,745             | 8,010,345      |
| Barclays Capital, Inc.               | 0.18%            | 2/28/11       | 3/01/11          | 8,720,044             | 8,720,000      |
| Credit Suisse Securities (USA), Inc. | 0.03%            | 2/28/11       | 3/01/11          | 3,149,165             | 3,149,163      |
| Credit Suisse Securities (USA), Inc. | 0.18%            | 2/28/11       | 3/01/11          | 22,154,045            | 22,153,934     |
| Credit Suisse Securities (USA), Inc. | 0.19%            | 2/28/11       | 3/01/11          | 5,416,797             | 5,416,769      |
| Deutsche Bank AG                     | 0.14%            | 2/28/11       | 3/01/11          | 20,389,561            | 20,389,481     |
| <b>Total</b>                         |                  |               |                  | \$ 150,184,826        | \$ 150,125,157 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

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

| Contracts    | Issue                      | Exchange                    | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|--------------|----------------------------|-----------------------------|------------|----------------|--|
| 57           | 5-Year U.S. Treasury Note  | Chicago Board of Trade      | March 2011 | \$ 6,708,123   | \$ 10,752                              |
| 3            | Euro-Bund Future           | Eurex                       | March 2011 | \$ 516,722     | (2,883)                                |
| 30           | Euro-Dollar Future         | Chicago Mercantile Exchange | March 2011 | \$ 7,463,033   | 13,343                                 |
| 67           | 2-Year U.S. Treasury Note  | Chicago Board of Trade      | June 2011  | \$ 14,599,133  | 26,757                                 |
| 322          | 30-Year U.S. Treasury Bond | Chicago Board of Trade      | June 2011  | \$ 38,656,617  | 94,070                                 |
| <b>Total</b> |                            |                             |            |                | <b>\$ 142,039</b>                      |

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

| Contracts    | Issue                            | Exchange                    | Expiration    | Notional Value | Unrealized Depreciation |
|--------------|----------------------------------|-----------------------------|---------------|----------------|-------------------------|
| 45           | 2-Year U.S. Treasury Note        | Chicago Board of Trade      | March 2011    | \$ 9,853,971   | \$ (326)                |
| 400          | 10-Year U.S. Treasury Note       | Chicago Board of Trade      | March 2011    | \$ 47,804,098  | (333,402)               |
| 29           | 30-Year U.S. Treasury Ultra Bond | Chicago Board of Trade      | March 2011    | \$ 3,512,119   | (114,693)               |
| 404          | 5-Year U.S. Treasury Note        | Chicago Board of Trade      | June 2011     | \$ 47,002,933  | (239,817)               |
| 101          | 10-Year U.S. Treasury Note       | Chicago Board of Trade      | June 2011     | \$ 11,886,543  | (137,192)               |
| 59           | Euro-Dollar Future               | Chicago Mercantile Exchange | December 2011 | \$ 14,589,078  | (70,947)                |
| <b>Total</b> |                                  |                             |               |                | <b>\$ (896,377)</b>     |

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

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



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|     |             |     |             |                                       |         |    |          |
|-----|-------------|-----|-------------|---------------------------------------|---------|----|----------|
| INR | 82,735,100  | USD | 1,810,000   | Goldman Sachs International           | 3/01/11 | \$ | 17,794   |
| INR | 249,834,300 | USD | 5,493,831   | Morgan Stanley Capital Services, Inc. | 3/01/11 |    | 25,539   |
| USD | 1,823,564   | INR | 82,735,100  | Goldman Sachs International           | 3/01/11 |    | (4,230)  |
| USD | 5,442,766   | INR | 249,834,300 | Morgan Stanley Capital Services, Inc. | 3/01/11 |    | (76,604) |
| EUR | 4,345,000   | USD | 5,842,602   | BNP Paribas SA                        | 3/03/11 |    | 153,204  |
| EUR | 2,385,000   | USD | 3,161,778   | Citibank NA                           | 3/03/11 |    | 129,360  |
| EUR | 2,040,000   | USD | 2,683,056   | Royal Bank of Scotland Plc            | 3/03/11 |    | 132,006  |
| EUR | 1,335,000   | USD | 1,787,483   | UBS AG                                | 3/03/11 |    | 54,727   |

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

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation (Depreciation) |         |    |                  |
|--------------------|---------------|--------------|-----------------|--|---------|----|------------------|
| USD                | 1,766,259     | EUR          | 1,345,000       | BNP Paribas SA                         | 3/03/11 | \$ | (89,750)         |
| USD                | 4,436,684     | EUR          | 3,355,000       | Citibank NA                            | 3/03/11 |    | (192,989)        |
| USD                | 3,561,350     | EUR          | 2,685,000       | Deutsche Bank AG                       | 3/03/11 |    | (143,768)        |
| USD                | 3,592,535     | EUR          | 2,720,000       | Goldman Sachs International            | 3/03/11 |    | (160,881)        |
| EUR                | 830,000       | USD          | 1,118,757       | Citibank NA                            | 3/23/11 |    | 26,295           |
| USD                | 1,071,598     | EUR          | 830,000         | UBS AG                                 | 3/23/11 |    | (73,454)         |
| USD                | 7,810,630     | EUR          | 5,707,500       | Citibank NA                            | 4/27/11 |    | (59,966)         |
| EUR                | 1,032,500     | USD          | 1,415,228       | Citibank NA                            | 5/06/11 |    | 8,402            |
| USD                | 1,391,543     | EUR          | 1,032,500       | UBS AG                                 | 5/06/11 |    | (32,087)         |
| <b>Total</b>       |               |              |                 |  |         | \$ | <b>(286,402)</b> |

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

| Issuer                 | Pay Fixed Rate | Counterparty           | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|------------------------|----------------|------------------------|-----------------|-----------------------|--|
| Radian Group, Inc.     | 5.00%          | Citibank NA            | 3/20/13         | \$ 1,400              | \$ (77,693)                            |
| Radian Group, Inc.     | 5.00%          | Citibank NA            | 6/20/15         | \$ 1,400              | (67,048)                               |
| MGIC Investment Corp.  | 5.00%          | Citibank NA            | 12/20/15        | \$ 840                | (41,442)                               |
| Spain (Kingdom of)     | 1.00%          | Citibank NA            | 3/20/16         | \$ 936                | (2,742)                                |
| Spain (Kingdom of)     | 1.00%          | JPMorgan Chase Bank NA | 3/20/16         | \$ 4,682              | (6,637)                                |
| The PMI Group, Inc.    | 5.00%          | Citibank NA            | 9/20/16         | \$ 1,400              | 18,962                                 |
| The New York Times Co. | 1.00%          | Barclays Bank Plc      | 12/20/16        | \$ 1,800              | (34,752)                               |
| <b>Total</b>           |                |                        |                 |                       | \$ <b>(211,352)</b>                    |

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

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| Index   | Pay<br>Fixed<br>Rate | Counterparty                             | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|---|----------------------|--|--------------------|-----------------------------|----------------------------|
| Dow Jones CDX Emerging Markets<br>Series 14               | 5.00%                | Morgan Stanley Capital Services,<br>Inc. | 12/20/15           | \$ 990                      | \$ (1,721)                 |
| Dow Jones CDX North America High<br>Yield Index Series 15 | 5.00%                | Credit Suisse International              | 12/20/15           | \$ 5,000                    | (35,389)                   |
| <b>Total</b>  |                      |  |                    |                             | <b>\$ (37,110)</b>         |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Core Bond Trust (BHK)

Interest rate swaps outstanding as of February 28, 2011 were as follows:

| Fixed Rate   | Floating Rate | Counterparty                | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------|---------------|-----------------------------|-----------------|-----------------------|--|
| 0.63% (a)    | 3-month LIBOR | Credit Suisse International | 11/26/12        | \$ 23,300             | \$ 43,111                              |
| 0.96% (a)    | 3-month LIBOR | Deutsche Bank AG            | 2/08/13         | \$ 7,600              | (16,877)                               |
| 0.92% (b)    | 3-month LIBOR | Credit Suisse International | 2/28/13         | \$ 3,800              | 3,398                                  |
| 0.91% (b)    | 3-month LIBOR | Deutsche Bank AG            | 2/28/13         | \$ 6,100              | 3,642                                  |
| 1.36% (a)    | 3-month LIBOR | Royal Bank of Scotland Plc  | 11/08/15        | \$ 3,700              | 143,817                                |
| 2.80% (b)    | 3-month LIBOR | Deutsche Bank AG            | 2/10/21         | \$ 3,900              | (177,578)                              |
| 3.73% (b)    | 3-month LIBOR | Credit Suisse International | 2/15/21         | \$ 700                | 12,597                                 |
|              |               | Morgan Stanley Capital      |                 |                       |  |
| 3.77% (b)    | 3-month LIBOR | Services, Inc.              | 2/15/21         | \$ 1,400              | 29,882                                 |
| 3.67% (b)    | 3-month LIBOR | Credit Suisse International | 2/22/21         | \$ 3,100              | 37,873                                 |
| 3.57% (b)    | 3-month LIBOR | Citibank NA                 | 2/25/21         | \$ 300                | 1,233                                  |
| 4.47% (a)    | 3-month LIBOR | Barclays Bank Plc           | 2/15/41         | \$ 1,500              | (53,414)                               |
| <b>Total</b> |               |                             |                 |                       | <b>\$ 27,684</b>                       |

(a) Pays a fixed interest rate and receives floating rate.

(b) Pays floating rate and receives fixed rate.

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

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

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

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| Valuation Inputs                            | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                              |                     |                       |                     |                       |
| Investments in Securities:                  |                     |                       |                     |                       |
| Asset-Backed Securities                     |                     | \$ 16,334,938         | \$ 4,266,817        | \$ 20,601,755         |
| Common Stocks                               |                     | 474                   |                     | 474                   |
| Corporate Bonds                             |                     | 270,151,036           | 3,076,752           | 273,227,788           |
| Foreign Agency Obligations                  |                     | 5,091,565             |                     | 5,091,565             |
| Non-Agency Mortgage-Backed Securities       |                     | 73,743,321            | 1,569,283           | 75,312,604            |
| Other Interests                             |                     |                       | 191                 | 191                   |
| Preferred Securities                        | \$ 1,526,400        | 3,124,017             |                     | 4,650,417             |
| Taxable Municipal Bonds                     |                     | 11,547,162            |                     | 11,547,162            |
| U.S. Government Sponsored Agency Securities |                     | 235,075,717           |                     | 235,075,717           |
| U.S. Treasury Obligations                   |                     | 103,067,515           |                     | 103,067,515           |
| Warrants                                    |                     |                       | 1                   | 1                     |
| Short-Term Securities                       | 2,222,695           |                       |                     | 2,222,695             |
| <b>Liabilities:</b>                         |                     |                       |                     |                       |
| TBA Sale Commitments                        |                     | (194,314,061)         |                     | (194,314,061)         |
| <b>Total</b>                                | <b>\$ 3,749,095</b> | <b>\$ 523,821,684</b> | <b>\$ 8,913,044</b> | <b>\$ 536,483,823</b> |

Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs                    | Level 1             | Level 2               | Level 3 | Total                 |
|-------------------------------------|---------------------|-----------------------|---------|-----------------------|
| <b>Assets:</b>                      |                     |                       |         |                       |
| Credit contracts                    |                     | \$ 18,962             |         | \$ 18,962             |
| Foreign currency exchange contracts |                     | 679,309               |         | 679,309               |
| Interest rate contracts             | \$ 439,853          | 7,734,939             |         | 8,174,792             |
| <b>Liabilities:</b>                 |                     |                       |         |                       |
| Credit contracts                    |                     | (267,424)             |         | (267,424)             |
| Foreign currency exchange contracts |                     | (833,729)             |         | (833,729)             |
| Interest rate contracts             | (1,094,254)         | (9,163,714)           |         | (10,257,968)          |
| <b>Total</b>                        | <b>\$ (654,401)</b> | <b>\$ (1,831,657)</b> |         | <b>\$ (2,486,058)</b> |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock Core Bond Trust (BHK)

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

|   | Asset-Backed Securities | Common Stocks | Corporate Bonds | Non-Agency Mortgage-Backed Securities | Other Interests | Preferred Securities | Warrants   | Total         |
|---|-------------------------|---------------|-----------------|---------------------------------------|-----------------|----------------------|------------|---------------|
| <b>Assets:</b>  |                         |               |                 |                                       |                 |                      |            |               |
| Balance, as of August 31, 2010                                  | \$ 5,104,409            | \$ 11,492     | \$ 3,029,472    | \$ 2,310,902                          | \$ 381          | \$ 56,838            |            | \$ 10,513,494 |
| Accrued discounts/premiums                                      | 19,470                  |               | 177,849         | 9,203                                 |                 |                      |            | 206,522       |
| Net realized gain (loss)  |                         | (294,917)     |                 | 34,661                                |                 | 113,247              |            | (147,009)     |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 477,832                 | 315,473       | (93,913)        | (34,542)                              | (190)           | (11,539)             | \$ (1,590) | 651,531       |
| Purchases   | 1,889,760               |               |                 | 1,569,283                             |                 |                      | 1,591      | 3,460,634     |
| Sales   | (103,465)               | (32,048)      |                 | (1,673,742)                           |                 | (158,546)            |            | (1,967,801)   |
| Transfer in <sup>3</sup>  |                         |               |                 |                                       |                 |                      |            |               |
| Transfer out <sup>3</sup>                                       | (3,121,189)             |               | (36,656)        | (646,482)                             |                 |                      |            | (3,804,327)   |
| <b>Balance as of February 28, 2011</b>                          | \$ 4,266,817            |               | \$ 3,076,752    | \$ 1,569,283                          | \$ 191          |                      | \$ 1       | \$ 8,913,044  |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$432,573.

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

See Notes to Financial Statements.

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Schedule of Investments February 28, 2011 (Unaudited)

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

| Common Stocks                                    | Shares  | Value      |
|--|---------|------------|
| <b>Capital Markets 0.2%</b>                      |         |            |
| E*Trade Financial Corp. (a)                      | 43,000  | \$ 687,140 |
| <b>Chemicals 0.1%</b>                            |         |            |
| LyondellBasell Industries NV, Class A (a)        | 4,740   | 180,499    |
| Wellman Holdings, Inc. (a)                       | 2,499   | 125        |
|  |         | 180,624    |
| <b>Commercial Banks 0.1%</b>                     |         |            |
| CIT Group, Inc. (a)                              | 10,229  | 443,120    |
| <b>Commercial Services &amp; Supplies 0.1%</b>   |         |            |
| Air Lease Corp. (a)(b)                           | 19,100  | 401,100    |
| <b>Communications Equipment 0.6%</b>             |         |            |
| Loral Space & Communications Ltd. (a)            | 31,026  | 2,347,427  |
| <b>Construction Materials 0.0%</b>               |         |            |
| Nortek, Inc. (a)                                 | 3,280   | 145,960    |
| <b>Diversified Financial Services 0.3%</b>       |         |            |
| Bank of America Corp.                            | 85,000  | 1,214,650  |
| <b>Electrical Equipment 0.0%</b>                 |         |            |
| Medis Technologies Ltd. (a)                      | 109,685 | 2,303      |
| <b>Food Products 0.1%</b>                        |         |            |
| Zhongpin, Inc. (a)                               | 17,361  | 322,741    |
| <b>Health Care Equipment &amp; Supplies 0.1%</b> |         |            |
| Zimmer Holdings, Inc. (a)                        | 8,271   | 515,614    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>    |         |            |
| Buffets Restaurants Holdings, Inc. (a)           | 1,854   | 7,880      |
| <b>Household Durables 0.2%</b>                   |         |            |
| Beazer Homes USA, Inc. (a)                       | 83,108  | 386,452    |
| Pulte Group, Inc. (a)                            | 80,900  | 558,210    |
|  |         | 944,662    |
| <b>Machinery 0.2%</b>                            |         |            |
| Navistar International Corp. (a)                 | 11,667  | 723,121    |
| <b>Media 1.0%</b>                                |         |            |
| Charter Communications, Inc. (a)                 | 83,448  | 3,819,415  |

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|   |        |           |
|---|--------|-----------|
| Clear Channel Outdoor Holdings, Inc., Class A (a) | 16,306 | 240,351   |
|   |        | 4,059,766 |

**Metals & Mining 0.1%**

|                           |        |         |
|---------------------------|--------|---------|
| African Minerals Ltd. (a) | 45,951 | 404,501 |
|---------------------------|--------|---------|

**Oil, Gas & Consumable Fuels 0.7%**

|                                   |        |           |
|-----------------------------------|--------|-----------|
| Alpha Natural Resources, Inc. (a) | 18,200 | 986,804   |
| Marathon Oil Corp.                | 42,300 | 2,098,080 |
|                                   |        | 3,084,884 |

**Paper & Forest Products 0.3%**

|                                      |         |           |
|--------------------------------------|---------|-----------|
| Ainsworth Lumber Co. Ltd. (a)        | 181,600 | 600,006   |
| Ainsworth Lumber Co. Ltd. (a)(b)     | 208,741 | 689,680   |
| Western Forest Products, Inc. (a)    | 74,889  | 57,041    |
| Western Forest Products, Inc. (a)(b) | 74,936  | 57,076    |
|                                      |         | 1,403,803 |

**Road & Rail 0.3%**

|   |        |           |
|---|--------|-----------|
| Dollar Thrifty Automotive Group, Inc. (a) | 26,300 | 1,396,793 |
|---|--------|-----------|

**Semiconductors & Semiconductor**

**Equipment 0.3%**

|                             |        |           |
|-----------------------------|--------|-----------|
| Spanion, Inc., Class A (a)  | 66,453 | 1,400,165 |
| SunPower Corp., Class B (a) | 573    | 9,672     |
|                             |        | 1,409,837 |

**Software 0.3%**

|   |         |           |
|---|---------|-----------|
| Bankruptcy Management Solutions, Inc. (a) | 737     | 2,578     |
| HMH Holdings/EduMedia (a)                 | 133,690 | 668,450   |
| TiVo, Inc. (a)                            | 32,660  | 335,745   |
|   |         | 1,006,773 |

| Common Stocks                                   | Shares  | Value      |
|---|---------|------------|
| <b>Wireless Telecommunication Services 0.7%</b> |         |            |
| American Tower Corp., Class A (a)               | 17,063  | \$ 920,720 |
| Crown Castle International Corp. (a)            | 41,121  | 1,733,250  |
| FiberTower Corp. (a)                            | 127,570 | 416,157    |
|   |         | 3,070,127  |
| <b>Total Common Stocks 5.7%</b>                 |         | 23,772,826 |

|                        |                      |
|------------------------|----------------------|
| <b>Corporate Bonds</b> | <b>Par<br/>(000)</b> |
|------------------------|----------------------|

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|  |     |       |            |
|--|-----|-------|------------|
| <b>Aerospace &amp; Defense 0.3%</b>                        |     |       |            |
| DynCorp International, Inc., 10.38%, 7/01/17 (b)           | USD | 410   | 440,750    |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 |     | 690   | 777,975    |
|  |     |       | 1,218,725  |
| <b>Air Freight &amp; Logistics 0.5%</b>                    |     |       |            |
| National Air Cargo Group, Inc.:                            |     |       |            |
| Series 1, 12.38%, 9/02/15                                  |     | 1,069 | 1,068,667  |
| Series 2, 12.38%, 10/08/15                                 |     | 1,079 | 1,078,933  |
|  |     |       | 2,147,600  |
| <b>Airlines 2.7%</b>                                       |     |       |            |
| Air Canada, 9.25%, 8/01/15 (b)                             |     | 1,570 | 1,679,900  |
| American Airlines, Inc.: 10.50%, 10/15/12                  |     | 1,400 | 1,536,500  |
| Series 2001-2, 7.86%, 4/01/13                              |     | 490   | 505,925    |
| Continental Airlines, Inc.: 6.75%, 9/15/15 (b)             |     | 900   | 924,750    |
| Series 1997-4-B, 6.90%, 7/02/18                            |     | 71    | 71,788     |
| Series 2001-1-C, 7.03%, 12/15/12                           |     | 269   | 270,351    |
| Series 2010-1-B, 6.00%, 7/12/20                            |     | 700   | 698,250    |
| Delta Air Lines, Inc.: Series 2010-1-B, 6.38%, 7/02/17     |     | 800   | 796,000    |
| Series B, 9.75%, 12/17/16                                  |     | 1,353 | 1,460,907  |
| United Air Lines, Inc., 12.75%, 7/15/12                    |     | 2,838 | 3,171,701  |
|  |     |       | 11,116,072 |
| <b>Auto Components 1.5%</b>                                |     |       |            |
| Allison Transmission, Inc. (b):                            |     |       |            |
| 11.00%, 11/01/15   |     | 350   | 380,625    |
| 11.25%, 11/01/15 (c)                                       |     | 272   | 296,480    |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14  |     | 134   | 147,905    |
| Exide Technologies, 8.63%, 2/01/18 (b)                     |     | 550   | 586,438    |
| Icahn Enterprises LP, 8.00%, 1/15/18                       |     | 4,815 | 4,983,525  |
|  |     |       | 6,394,973  |
| <b>Beverages 0.2%</b>                                      |     |       |            |
| Cott Beverages, Inc., 8.13%, 9/01/18                       |     | 394   | 424,042    |
| Crown European Holdings SA, 7.13%, 8/15/18 (b)             | EUR | 365   | 536,424    |
|  |     |       | 960,466    |
| <b>Biotechnology 0.2%</b>                                  |     |       |            |
| QHP Pharma, 10.25%, 3/15/15 (b)                            | USD | 715   | 720,608    |
| <b>Building Products 1.2%</b>                              |     |       |            |
| Associated Materials LLC, 9.13%, 11/01/17 (b)              |     | 730   | 789,313    |
| Building Materials Corp. of America (b): 6.88%, 8/15/18    |     | 785   | 804,625    |
| 7.00%, 2/15/20   |     | 930   | 979,987    |
| Momentive Performance Materials, Inc.: 11.50%, 12/01/16    |     | 255   | 276,675    |
| 9.00%, 1/15/21 (b)   |     | 1,900 | 2,021,125  |



See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

(Percentages shown are based on Net Assets)

| Corporate Bonds                                    |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Capital Markets 0.6%</b>                        |     |              |            |
| American Capital Ltd., 7.36%, 12/31/13 (d)         | USD | 740          | \$ 757,812 |
| E*Trade Financial Corp., 3.43%, 8/31/19 (b)(e)(f)  |     | 356          | 550,020    |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)          |     | 970          | 999,416    |
|  |     |              | 2,307,248  |
| <b>Chemicals 3.4%</b>                              |     |              |            |
| American Pacific Corp., 9.00%, 2/01/15             |     | 1,300        | 1,277,250  |
| Chemtura Corp., 7.88%, 9/01/18 (b)                 |     | 785          | 837,987    |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)             |     | 245          | 272,563    |
| Hexion U.S. Finance Corp.:                         |     |              |            |
| 8.88%, 2/01/18                                     |     | 1,135        | 1,218,706  |
| 9.00%, 11/15/20 (b)                                |     | 550          | 585,062    |
| Huntsman International LLC (b):                    |     |              |            |
| 6.88%, 11/15/13                                    | EUR | 415          | 585,568    |
| 8.63%, 3/15/21                                     | USD | 740          | 821,400    |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)              |     | 625          | 685,937    |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)            |     | 185          | 188,700    |
| MacDermid, Inc., 9.50%, 4/15/17 (b)                |     | 1,845        | 1,964,925  |
| Nalco Co., 6.63%, 1/15/19 (b)                      |     | 490          | 506,537    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(g)         |     | 275          | 279,813    |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)            |     | 1,010        | 1,108,475  |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b)        |     | 220          | 225,775    |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)            |     | 214          | 222,828    |
| PolyOne Corp., 7.38%, 9/15/20                      |     | 320          | 339,200    |
| Rhodia SA, 6.88%, 9/15/20 (b)                      |     | 1,085        | 1,110,769  |
| TPC Group LLC, 8.25%, 10/01/17 (b)                 |     | 495          | 526,556    |
| Wellman Holdings, Inc., Subordinate Note (e):      |     |              |            |
| (Second Lien), 10.00%, 1/29/19                     |     | 1,385        | 1,204,950  |
| (Third Lien), 5.00%, 1/29/19 (c)                   |     | 466          | 181,602    |
|  |     |              | 14,144,603 |
| <b>Commercial Banks 2.8%</b>                       |     |              |            |
| CIT Group, Inc.:                                   |     |              |            |
| 7.00%, 5/01/16                                     |     | 5,078        | 5,122,240  |
| 7.00%, 5/01/17                                     |     | 6,594        | 6,643,386  |
| Glitnir Banki HF, 6.38%, 9/25/12 (b)(h)            |     | 1,005        |            |
|  |     |              | 11,765,626 |
| <b>Commercial Services &amp; Supplies 1.8%</b>     |     |              |            |
| ACCO Brands Corp., 10.63%, 3/15/15                 |     | 1,115        | 1,259,950  |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)    |     | 376          | 386,340    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) |     | 780          | 838,500    |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (b)    |     | 549          | 562,725    |
| International Lease Finance Corp., 8.25%, 12/15/20 |     | 478          | 531,775    |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)             |     | 345          | 367,425    |

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|                                 |       |           |
|---------------------------------|-------|-----------|
| RSC Equipment Rental, Inc. (b): |       |           |
| 10.00%, 7/15/17                 | 870   | 1,000,500 |
| 8.25%, 2/01/21                  | 872   | 922,140   |
| West Corp. (b):                 |       |           |
| 8.63%, 10/01/18                 | 1,120 | 1,187,200 |
| 7.88%, 1/15/19                  | 290   | 297,612   |
|                                 |       | 7,354,167 |

|                                      |     |         |
|--------------------------------------|-----|---------|
| <b>Communications Equipment 0.2%</b> |     |         |
| Avaya, Inc., 7.00%, 4/01/19 (b)      | 640 | 633,600 |

|   |     |           |
|---|-----|-----------|
| <b>Computers &amp; Peripherals 0.3%</b> |     |           |
| EMC Corp., 1.75%, 12/01/13 (e)          | 720 | 1,258,200 |

|                                    |       |           |
|------------------------------------|-------|-----------|
| <b>Construction Materials 1.4%</b> |       |           |
| Nortek, Inc.:                      |       |           |
| 11.00%, 12/01/13                   | 3,655 | 3,892,125 |
| 10.00%, 12/01/18 (b)               | 1,770 | 1,889,475 |
|                                    |       | 5,781,600 |

| Corporate Bonds                         |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Consumer Finance 0.7%</b>            |     |              |              |
| Credit Acceptance Corp., 9.13%, 2/01/17 | USD | 1,010        | \$ 1,088,275 |
| Ford Motor Credit Co. LLC:              |     |              |              |
| 3.05%, 1/13/12 (i)                      |     | 310          | 313,159      |
| 7.80%, 6/01/12                          |     | 300          | 319,933      |
| 6.63%, 8/15/17                          |     | 1,150        | 1,223,115    |
|   |     |              | 2,944,482    |

|  |     |       |           |
|--|-----|-------|-----------|
| <b>Containers &amp; Packaging 2.2%</b>               |     |       |           |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (b) |     |       |           |
|  | EUR | 710   | 1,011,612 |
| Ball Corp., 6.75%, 9/15/20                           | USD | 750   | 785,625   |
| Berry Plastics Corp.:                                |     |       |           |
| 8.25%, 11/15/15                                      |     | 205   | 219,606   |
| 9.75%, 1/15/21 (b)                                   |     | 1,380 | 1,383,450 |
| Graham Packaging Co. LP, 8.25%, 10/01/18             |     | 375   | 404,063   |
| Graphic Packaging International, Inc.:               |     |       |           |
| 9.50%, 6/15/17                                       |     | 1,180 | 1,309,800 |
| 7.88%, 10/01/18                                      |     | 590   | 634,250   |
| OI European Group BV, 6.88%, 3/31/17                 | EUR | 233   | 334,793   |
| Pregis Corp., 12.38%, 10/15/13                       | USD | 835   | 841,263   |
| Smurfit Kappa Acquisitions (b):                      |     |       |           |
| 7.25%, 11/15/17                                      | EUR | 735   | 1,075,125 |
| 7.75%, 11/15/19                                      |     | 700   | 1,033,588 |
|  |     |       | 9,033,175 |

|   |     |       |           |
|---|-----|-------|-----------|
| <b>Diversified Consumer Services 1.1%</b>   |     |       |           |
| Service Corp. International, 7.00%, 6/15/17 | USD | 4,425 | 4,712,625 |

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**Diversified Financial Services 5.8%**

|  |           |            |
|--|-----------|------------|
| Ally Financial, Inc.:                                  |           |            |
| 7.50%, 12/31/13  |           | 501,400    |
| 2.51%, 12/01/14 (i)                                    | 460       | 581,732    |
| 8.30%, 2/12/15   | 592       | 2,133,337  |
| 6.25%, 12/01/17 (b)                                    | 1,890     | 1,179,438  |
| 8.00%, 3/15/20   | 1,130     | 2,443,962  |
| 7.50%, 9/15/20 (b)                                     | 2,170     | 1,968,750  |
| 8.00%, 11/01/31  | 1,800     | 1,500,465  |
| 8.00%, 11/01/31  | 1,310     | 1,706,050  |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  | 665       | 733,163    |
| FCE Bank Plc, 7.13%, 1/15/13                           | EUR 1,300 | 1,890,369  |
| Leucadia National Corp., 8.13%, 9/15/15                | USD 1,780 | 1,958,000  |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) | 1,945     | 2,071,425  |
| Reynolds Group Issuer, Inc. (b):                       |           |            |
| 7.75%, 10/15/16  | EUR 550   | 804,515    |
| 7.13%, 4/15/19   | USD 860   | 881,500    |
| 9.00%, 4/15/19   | 2,570     | 2,679,225  |
| 6.88%, 2/15/21   | 585       | 586,463    |
| 8.25%, 2/15/21   | 730       | 731,825    |
|  |           | 24,351,619 |

**Diversified Telecommunication Services 4.1%**

|   |       |           |
|---|-------|-----------|
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 |       |           |
|   | 1,530 | 1,524,262 |
| Frontier Communications Corp.:                        |       |           |
| 8.25%, 4/15/17  | 546   | 603,330   |
| 8.50%, 4/15/20  | 500   | 555,000   |
| GCI, Inc., 8.63%, 11/15/19                            | 1,700 | 1,870,000 |
| ITC Deltacom, Inc., 10.50%, 4/01/16                   | 530   | 581,675   |
| Level 3 Communications, Inc., 6.50%, 10/01/16 (e)     | 410   | 585,275   |
| Level 3 Financing, Inc.:                              |       |           |
| 5.50%, 11/01/14                                       | 190   | 196,175   |
| 8.75%, 2/15/17  | 2,160 | 2,122,200 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

(Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Diversified Telecommunication Services</b>                  |     |              |              |
| <b>(concluded)</b>   |     |              |              |
| Qwest Communications International, Inc.:                      |     |              |              |
| 7.50%, 2/15/14   | USD | 2,990        | \$ 3,034,850 |
| 8.00%, 10/01/15  |     | 800          | 873,000      |
| Series B, 7.50%, 2/15/14                                       |     | 2,285        | 2,319,275    |
| Qwest Corp., 7.63%, 6/15/15                                    |     | 850          | 975,375      |
| Windstream Corp.:  |     |              |              |
| 8.13%, 8/01/13   |     | 510          | 561,638      |
| 7.88%, 11/01/17  |     | 1,090        | 1,184,012    |
|  |     |              | 16,986,067   |
| <b>Electronic Equipment, Instruments &amp; Components 0.7%</b> |     |              |              |
| CDW LLC:   |     |              |              |
| 11.00%, 10/12/15   |     | 180          | 195,750      |
| 11.50%, 10/12/15 (c)   |     | 980          | 1,063,300    |
| 8.00%, 12/15/18 (b)  |     | 840          | 903,000      |
| NXP BV, 3.05%, 10/15/13 (i)                                    |     | 770          | 766,150      |
|  |     |              | 2,928,200    |
| <b>Energy Equipment &amp; Services 1.4%</b>                    |     |              |              |
| Bayou Well Services, 0.16%, 12/22/13                           |     |              |              |
|  |     | 950          | 950,000      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                       |     |              |              |
|  |     | 365          | 374,125      |
| Compagnie Générale de Géophysique-Veritas:                     |     |              |              |
| 7.50%, 5/15/15   |     | 1,455        | 1,505,925    |
| 7.75%, 5/15/17   |     | 365          | 385,988      |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)                   |     |              |              |
|  |     | 655          | 671,375      |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)                    |     |              |              |
|  |     | 925          | 957,375      |
| Precision Drilling Corp., 6.63%, 11/15/20 (b)                  |     |              |              |
|  |     | 170          | 175,525      |
| Thermon Industries, Inc., 9.50%, 5/01/17                       |     |              |              |
|  |     | 810          | 876,825      |
|  |     |              | 5,897,138    |
| <b>Food &amp; Staples Retailing 0.7%</b>                       |     |              |              |
| AmeriQual Group LLC, 9.50%, 4/01/12 (b)                        |     |              |              |
|  |     | 855          | 846,450      |
| BI-LO LLC, 9.25%, 2/15/19 (b)                                  |     |              |              |
|  |     | 495          | 514,800      |
| Rite Aid Corp.:  |     |              |              |
| 9.75%, 6/12/16   |     | 615          | 692,644      |
| 7.50%, 3/01/17   |     | 925          | 930,781      |
|  |     |              | 2,984,675    |
| <b>Food Products 0.7%</b>                                      |     |              |              |
| B&G Foods, Inc., 7.63%, 1/15/18                                |     |              |              |
|  |     | 330          | 352,275      |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (b)                      |     |              |              |
|  |     | 1,560        | 1,575,600    |

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|  |     |           |
|--|-----|-----------|
| Darling International, Inc., 8.50%, 12/15/18 (b) | 360 | 388,350   |
| Reddy Ice Corp., 11.25%, 3/15/15                 | 650 | 682,500   |
| Smithfield Foods, Inc., 10.00%, 7/15/14          | 102 | 120,360   |
|  |     | 3,119,085 |

**Health Care Equipment & Supplies 1.4%**

|                                       |       |           |
|---------------------------------------|-------|-----------|
| DJO Finance LLC, 10.88%, 11/15/14     | 3,630 | 3,979,388 |
| Hologic, Inc., 2.86%, 12/15/37 (d)(e) | 2,035 | 1,961,231 |
|                                       |       | 5,940,619 |

**Health Care Providers & Services 5.6%**

|   |         |           |
|---|---------|-----------|
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | 415     | 432,638   |
| ConvaTec Healthcare E SA (b):                     |         |           |
| 7.38%, 12/15/17                                   | EUR 800 | 1,148,125 |
| 10.50%, 12/15/18                                  | USD 710 | 757,925   |
| DaVita, Inc., 6.38%, 11/01/18                     | 590     | 598,112   |
| Gentiva Health Services, Inc., 11.50%, 9/01/18    | 1,050   | 1,182,562 |
| HCA, Inc.:  |         |           |
| 9.13%, 11/15/14                                   | 2,605   | 2,731,994 |
| 8.50%, 4/15/19                                    | 1,505   | 1,685,600 |
| 7.25%, 9/15/20                                    | 3,430   | 3,700,112 |

| Corporate Bonds   |     | Par<br>(000) |    | Value      |
|---|-----|--------------|----|------------|
| <b>Health Care Providers &amp; Services (concluded)</b> |     |              |    |            |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)              | USD | 970          | \$ | 996,675    |
| Omnicare, Inc.:   |     |              |    |            |
| 6.13%, 6/01/13  |     | 266          |    | 266,998    |
| 6.88%, 12/15/15   |     | 685          |    | 707,262    |
| 7.75%, 6/01/20  |     | 930          |    | 992,775    |
| Priory Group Ltd., 7.00%, 2/15/18                       | GBP | 209          |    | 348,254    |
| Tenet Healthcare Corp.:                                 |     |              |    |            |
| 9.00%, 5/01/15  | USD | 1,952        |    | 2,147,200  |
| 10.00%, 5/01/18   |     | 662          |    | 777,850    |
| 8.88%, 7/01/19  |     | 4,400        |    | 5,005,000  |
|   |     |              |    | 23,479,082 |

**Health Care Technology 1.1%**

|                                       |       |           |
|---------------------------------------|-------|-----------|
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 3,550 | 4,162,375 |
| MedAssets, Inc., 8.00%, 11/15/18 (b)  | 245   | 251,738   |
|                                       |       | 4,414,113 |

**Hotels, Restaurants & Leisure 3.7%**

|   |         |           |
|---|---------|-----------|
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)        | 925     | 971,250   |
| Caesars Entertainment Operating Co., Inc.,    |         |           |
| 10.00%, 12/15/18                              | 5,580   | 5,245,200 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18   | EUR 79  | 113,377   |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)   | USD 505 | 526,463   |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)    | 1,770   | 1,898,325 |
| Enterprise Inns Plc, 6.50%, 12/06/18          | GBP 625 | 922,046   |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17 | USD 970 | 1,100,950 |
| Inn of the Mountain Gods Resort & Casino (b): |         |           |
| 1.25%, 11/30/20 (c)                           | 1,653   | 859,560   |

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|   |       |            |
|---|-------|------------|
| 8.75%, 11/30/20   | 735   | 698,250    |
| Little Traverse Bay Bands, 9.00%, 8/31/20 (b)                     | 548   | 452,100    |
| MGM Resorts International:  |       |            |
| 10.38%, 5/15/14   | 395   | 442,400    |
| 11.13%, 11/15/17  | 1,220 | 1,406,050  |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (b)           | 180   | 183,600    |
| Travelport LLC:   |       |            |
| 4.94%, 9/01/14 (i)  | 210   | 187,425    |
| 9.88%, 9/01/14  | 280   | 273,350    |
| 9.00%, 3/01/16  | 180   | 170,100    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(h) | 475   | 48         |
|   |       | 15,450,494 |

**Household Durables 4.0%**

|  |           |            |
|--|-----------|------------|
| American Standard Americas, 10.75%, 1/15/16 (b)  | 600       | 637,500    |
| Ashton Woods USA LLC, 21.57%, 6/30/15 (b)(d)     | 1,300     | 845,000    |
| Beazer Homes USA, Inc.:                          |           |            |
| 8.13%, 6/15/16                                   | 470       | 477,638    |
| 12.00%, 10/15/17                                 | 1,960     | 2,278,500  |
| 9.13%, 6/15/18                                   | 2,615     | 2,699,987  |
| Jarden Corp., 7.50%, 1/15/20                     | EUR 447   | 643,057    |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | USD 2,560 | 2,774,400  |
| Ryland Group, Inc., 6.63%, 5/01/20               | 1,000     | 980,000    |
| Standard Pacific Corp.:                          |           |            |
| 10.75%, 9/15/16                                  | 2,210     | 2,596,750  |
| 8.38%, 5/15/18                                   | 650       | 689,000    |
| 8.38%, 5/15/18 (b)                               | 710       | 752,600    |
| 8.38%, 1/15/21 (b)                               | 1,155     | 1,218,525  |
|  |           | 16,592,957 |

**IT Services 1.8%**

|                                 |       |           |
|---------------------------------|-------|-----------|
| First Data Corp. (b):           |       |           |
| 8.88%, 8/15/20                  | 1,890 | 2,069,550 |
| 8.25%, 1/15/21                  | 2,626 | 2,612,870 |
| 12.63%, 1/15/21                 | 1,070 | 1,120,825 |
| SunGard Data Systems, Inc. (b): |       |           |
| 7.38%, 11/15/18                 | 700   | 722,750   |
| 7.63%, 11/15/20                 | 880   | 908,600   |
|                                 |       | 7,434,595 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

(Percentages shown are based on Net Assets)

| Corporate Bonds   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Independent Power Producers &amp; Energy Traders 3.2%</b>    |     |              |              |
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (b)      | USD | 1,875        | \$ 2,034,375 |
| Calpine Corp. (b):  |     |              |              |
| 7.50%, 2/15/21  |     | 700          | 715,750      |
| 7.88%, 1/15/23  |     | 950          | 976,125      |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b)               |     | 4,955        | 5,159,899    |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 |     | 253          | 264,095      |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                            |     | 4,060        | 4,227,475    |
|   |     |              | 13,377,719   |
| <b>Industrial Conglomerates 2.5%</b>                            |     |              |              |
| Sequa Corp. (b):  |     |              |              |
| 11.75%, 12/01/15  |     | 3,550        | 3,851,750    |
| 13.50%, 12/01/15 (c)  |     | 5,797        | 6,419,931    |
|   |     |              | 10,271,681   |
| <b>Insurance 1.0%</b>   |     |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)                   |     | 2,500        | 2,643,750    |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)                   |     | 508          | 541,020      |
| USI Holdings Corp., 4.16%, 11/15/14 (b)(i)                      |     | 1,000        | 965,000      |
|   |     |              | 4,149,770    |
| <b>Machinery 1.9%</b>   |     |              |              |
| AGY Holding Corp., 11.00%, 11/15/14                             |     | 1,640        | 1,459,600    |
| Navistar International Corp.:                                   |     |              |              |
| 3.00%, 10/15/14 (e)   |     | 2,720        | 3,801,200    |
| 8.25%, 11/01/21   |     | 880          | 974,600      |
| Oshkosh Corp., 8.25%, 3/01/17                                   |     | 150          | 166,500      |
| Titan International, Inc. (b):                                  |     |              |              |
| 5.63%, 1/15/17 (e)  |     | 360          | 937,800      |
| 7.88%, 10/01/17   |     | 685          | 732,950      |
|   |     |              | 8,072,650    |
| <b>Marine 0.7%</b>  |     |              |              |
| Horizon Lines, Inc., 4.25%, 8/15/12 (e)                         |     | 3,130        | 2,903,075    |
| <b>Media 12.8%</b>  |     |              |              |
| AMC Entertainment Holdings, Inc., 9.75%,<br>12/01/20 (b)        |     | 755          | 809,737      |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                       |     | 845          | 809,087      |
| CCH II LLC, 13.50%, 11/30/16                                    |     | 539          | 652,903      |



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|   |       |           |
|---|-------|-----------|
| CCO Holdings LLC:   |       |           |
| 7.88%, 4/30/18  | 700   | 747,250   |
| 8.13%, 4/30/20  | 700   | 755,125   |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (b)                   | 236   | 166,361   |
| CSC Holdings, Inc., 8.50%, 4/15/14                          | 580   | 649,600   |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(c)           | 885   | 958,012   |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | 2,175 | 2,256,562 |
| Checkout Holding Corp., 10.98%, 11/15/15 (b)(f)             | 1,300 | 838,500   |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)             | 380   | 407,550   |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 (b)   | 375   | 381,094   |
| Clear Channel Worldwide Holdings, Inc.:                     |       |           |
| 9.25%, 12/15/17   | 2,246 | 2,493,060 |
| Series B, 9.25%, 12/15/17                                   | 8,250 | 9,178,125 |
| Cox Enterprises, Inc.:                                      |       |           |
| Loan Close 2, 4.00%, 8/15/18                                | 988   | 987,796   |
| Loan Close 3, 12.00%, 8/15/18                               | 1,129 | 1,129,333 |
| Shares Loan, 4.00%, 8/15/18                                 | 1,165 | 1,164,740 |
| DISH DBS Corp., 7.00%, 10/01/13                             | 140   | 150,500   |
| Gray Television, Inc., 10.50%, 6/29/15                      | 1,420 | 1,508,750 |
| Harland Clarke Holdings Corp.:                              |       |           |
| 6.00%, 5/15/15 (i)  | 510   | 457,725   |
| 9.50%, 5/15/15  | 620   | 609,150   |

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Media (concluded)</b>                               |     |              |              |
| Interactive Data Corp., 10.25%, 8/01/18 (b)            | USD | 1,525        | \$ 1,708,000 |
| Liberty Global, Inc., 4.50%, 11/15/16 (e)              |     | 580          | 1,004,850    |
| Liberty Media Corp., 3.13%, 3/30/23 (e)                |     | 1,616        | 1,991,720    |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)    |     | 1,235        | 1,272,050    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b) |     | 810          | 870,750      |
| Nielsen Finance LLC:                                   |     |              |              |
| 11.63%, 2/01/14  |     | 91           | 106,925      |
| 7.75%, 10/15/18 (b)                                    |     | 3,340        | 3,611,375    |
| ProQuest LLC, 9.00%, 10/15/18 (b)                      |     | 745          | 771,075      |
| Rainbow National Services LLC (b):                     |     |              |              |
| 8.75%, 9/01/12   |     | 650          | 652,438      |
| 10.38%, 9/01/14  |     | 2,432        | 2,532,320    |
| Regal Entertainment Group, 9.13%, 8/15/18              |     | 585          | 625,950      |
| UPC Germany GmbH (b):                                  |     |              |              |
| 8.13%, 12/01/17  | EUR | 662          | 983,189      |
| 8.13%, 12/01/17  | USD | 1,035        | 1,110,037    |
| 9.63%, 12/01/19  | EUR | 845          | 1,324,940    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                     | USD | 800          | 888,000      |
| UPCB Finance II Ltd., 6.38%, 7/01/20                   | EUR | 1,218        | 1,659,732    |
| Unitymedia GmbH, 9.63%, 12/01/19                       |     | 235          | 368,475      |
| Univision Communications, Inc., 7.88%,<br>11/01/20 (b) | USD | 685          | 734,662      |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18       | GBP | 877          | 1,536,183    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                  | EUR | 583          | 862,843      |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                  |     | 1,185        | 1,672,043    |
|  |     |              | 53,398,517   |

**Metals & Mining 4.2%**

Drummond Co., Inc.:

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|   |     |       |            |
|---|-----|-------|------------|
| 9.00%, 10/15/14 (b)   | USD | 850   | 907,375    |
| 7.38%, 2/15/16  |     | 335   | 346,725    |
| FMG Resources August 2006 Property Ltd., 7.00%,<br>11/01/15 (b) |     | 2,240 | 2,324,000  |
| Foundation PA Coal Co., 7.25%, 8/01/14                          |     | 2,925 | 2,983,500  |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)                              |     | 890   | 1,120,287  |
| New World Resources NV, 7.88%, 5/01/18                          | EUR | 990   | 1,468,620  |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (e)           | USD | 630   | 840,262    |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              |     | 5,230 | 5,766,075  |
| Ryerson, Inc.:  |     |       |            |
| 7.66%, 11/01/14 (i)   |     | 600   | 576,000    |
| 12.00%, 11/01/15  |     | 400   | 430,000    |
| Steel Dynamics, Inc., 7.38%, 11/01/12                           |     | 310   | 329,375    |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b)                       |     | 305   | 336,263    |
|   |     |       | 17,428,482 |

**Multiline Retail 1.8%**

|   |  |       |           |
|---|--|-------|-----------|
| Dollar General Corp., 11.88%, 7/15/17 (c) |  | 6,421 | 7,424,281 |
|---|--|-------|-----------|

**Oil, Gas & Consumable Fuels 7.4%**

|   |  |       |           |
|---|--|-------|-----------|
| Arch Coal, Inc., 7.25%, 10/01/20              |  | 1,270 | 1,349,375 |
| Berry Petroleum Co., 8.25%, 11/01/16          |  | 750   | 792,188   |
| Bill Barrett Corp., 9.88%, 7/15/16            |  | 70    | 78,400    |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)  |  | 340   | 361,250   |
| Chaparral Energy, Inc., 8.25%, 9/01/21 (b)    |  | 375   | 381,563   |
| Chesapeake Energy Corp.:                      |  |       |           |
| 6.63%, 8/15/20                                |  | 2,345 | 2,462,250 |
| 6.13%, 2/15/21                                |  | 1,405 | 1,433,100 |
| 2.25%, 12/15/38 (e)                           |  | 1,200 | 1,098,000 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) |  | 392   | 427,280   |
| Concho Resources, Inc., 7.00%, 1/15/21        |  | 610   | 638,975   |
| Connacher Oil and Gas Ltd. (b):               |  |       |           |
| 11.75%, 7/15/14                               |  | 260   | 281,450   |
| 10.25%, 12/15/15                              |  | 1,695 | 1,792,462 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Corporate Bonds   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>      |     |              |              |
| Consol Energy, Inc., 8.25%, 4/01/20                     | USD | 2,935        | \$ 3,235,837 |
| Continental Resources, Inc., 7.13%, 4/01/21 (b)         |     | 545          | 580,425      |
| Crosstex Energy LP, 8.88%, 2/15/18                      |     | 265          | 292,163      |
| Denbury Resources, Inc.:                                |     |              |              |
| 8.25%, 2/15/20  |     | 1,025        | 1,140,312    |
| 6.38%, 8/15/21  |     | 520          | 525,200      |
| Energy Transfer Equity LP, 7.50%, 10/15/20              |     | 195          | 211,331      |
| Energy XXI Gulf Coast, Inc. (b):                        |     |              |              |
| 9.25%, 12/15/17   |     | 630          | 677,250      |
| 7.75%, 6/15/19  |     | 785          | 792,850      |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)                 |     | 1,150        | 1,213,250    |
| Linn Energy LLC (b):                                    |     |              |              |
| 8.63%, 4/15/20  |     | 1,630        | 1,817,450    |
| 7.75%, 2/01/21  |     | 880          | 935,000      |
| MarkWest Energy Partners LP, 6.75%, 11/01/20            |     | 385          | 394,625      |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)            |     | 2,775        | 3,024,750    |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)               |     | 335          | 340,025      |
| Peabody Energy Corp., 6.50%, 9/15/20                    |     | 755          | 807,850      |
| Petrohawk Energy Corp.:                                 |     |              |              |
| 10.50%, 8/01/14   |     | 555          | 638,250      |
| 7.88%, 6/01/15  |     | 695          | 736,700      |
| Range Resources Corp., 8.00%, 5/15/19                   |     | 600          | 660,750      |
| SM Energy Co., 6.63%, 2/15/19 (b)                       |     | 425          | 429,781      |
| Teekay Corp., 8.50%, 1/15/20                            |     | 970          | 1,043,963    |
| United Refining Co., 10.50%, 2/28/18 (b)(g)             |     | 360          | 356,400      |
|   |     |              | 30,950,455   |
| <b>Paper &amp; Forest Products 3.0%</b>                 |     |              |              |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)       |     | 1,728        | 1,754,061    |
| Boise Paper Holdings LLC:                               |     |              |              |
| 9.00%, 11/01/17   |     | 495          | 551,925      |
| 8.00%, 4/01/20  |     | 240          | 264,600      |
| Clearwater Paper Corp.:                                 |     |              |              |
| 10.63%, 6/15/16   |     | 585          | 668,363      |
| 7.13%, 11/01/18 (b)                                     |     | 865          | 897,438      |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b)                 |     | 2,395        | 2,700,362    |
| NewPage Corp., 11.38%, 12/31/14                         |     | 4,050        | 4,039,875    |
| Verso Paper Holdings LLC:                               |     |              |              |
| 11.50%, 7/01/14   |     | 1,265        | 1,394,662    |
| 8.75%, 2/01/19 (b)                                      |     | 345          | 360,525      |
|   |     |              | 12,631,811   |
| <b>Pharmaceuticals 0.8%</b>                             |     |              |              |
| Angiotech Pharmaceuticals, Inc., 4.06%,<br>12/01/13 (i) |     | 1,365        | 1,146,600    |
| Grifols, Inc., 8.25%, 2/01/18 (b)                       |     | 195          | 200,363      |
| Novasep Holding SAS, 9.63%, 12/15/16 (b)                | EUR | 784          | 876,328      |

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|   |     |     |           |
|---|-----|-----|-----------|
| <b>Valeant Pharmaceuticals International (b):</b> |     |     |           |
| 6.75%, 10/01/17                                   | USD | 560 | 579,600   |
| 7.00%, 10/01/20                                   |     | 715 | 739,131   |
|   |     |     | 3,542,022 |

**Professional Services 0.3%**

|   |  |       |           |
|---|--|-------|-----------|
| FTI Consulting, Inc., 6.75%, 10/01/20 (b) |  | 1,370 | 1,370,000 |
|---|--|-------|-----------|

**Real Estate Investment Trusts (REITs) 0.4%**

|  |  |     |           |
|--|--|-----|-----------|
| <b>Omega Healthcare Investors, Inc., 6.75%, 10/15/22 (b)</b> |  |     |           |
|  |  | 790 | 797,900   |
| <b>The Rouse Co. LP, 6.75%, 11/09/15</b>                     |  |     |           |
|  |  | 770 | 806,575   |
|  |  |     | 1,604,475 |

| Corporate Bonds                                      |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Real Estate Management &amp; Development 1.9%</b> |     |              |            |
| CB Richard Ellis Services, Inc., 6.63%, 10/15/20     | USD | 500          | \$ 515,625 |
| Forest City Enterprises, Inc., 7.63%, 6/01/15        |     | 2,300        | 2,231,000  |
| <b>Realogy Corp. (b):</b>                            |     |              |            |
| 11.50%, 4/15/17                                      |     | 1,170        | 1,246,050  |
| 7.88%, 2/15/19                                       |     | 3,855        | 3,869,456  |
|  |     |              | 7,862,131  |

**Road & Rail 2.1%**

|  |     |       |           |
|--|-----|-------|-----------|
| <b>Avis Budget Car Rental LLC:</b>                   |     |       |           |
| 9.63%, 3/15/18                                       |     | 760   | 849,300   |
| 8.25%, 1/15/19                                       |     | 1,150 | 1,220,437 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (b) |     | 610   | 637,450   |
| <b>The Hertz Corp. (b):</b>                          |     |       |           |
| 7.50%, 10/15/18                                      |     | 960   | 1,016,400 |
| 6.75%, 4/15/19                                       |     | 660   | 673,200   |
| 7.38%, 1/15/21                                       |     | 730   | 762,850   |
| Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)    | EUR | 1,975 | 2,963,890 |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)     | USD | 540   | 560,250   |
|  |     |       | 8,683,777 |

**Semiconductors & Semiconductor  
Equipment 0.3%**

|  |  |     |           |
|--|--|-----|-----------|
| <b>Linear Technology Corp., Series A, 3.00%, 5/01/27 (e)</b> |  |     |           |
|  |  | 655 | 713,131   |
| <b>Spansion LLC, 7.88%, 11/15/17 (b)</b>                     |  |     |           |
|  |  | 420 | 428,400   |
|  |  |     | 1,141,531 |

**Specialty Retail 1.6%**

|  |  |       |           |
|--|--|-------|-----------|
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 (b) |  | 490   | 514,500   |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(g)       |  | 480   | 481,800   |
| Hillman Group, Inc., 10.88%, 6/01/18               |  | 790   | 869,000   |
| Limited Brands, Inc., 8.50%, 6/15/19               |  | 1,170 | 1,339,650 |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b)   |  | 675   | 729,000   |

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|   |       |             |
|---|-------|-------------|
| Sonic Automotive, Inc., 9.00%, 3/15/18            | 550   | 588,500     |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b)      | 630   | 663,863     |
| United Auto Group, Inc., 7.75%, 12/15/16          | 1,550 | 1,600,375   |
|   |       | 6,786,688   |
| <b>Thrifts &amp; Mortgage Finance 0.2%</b>        |       |             |
| Radian Group, Inc., 3.00%, 11/15/17 (e)           | 740   | 699,300     |
| <b>Transportation Infrastructure 0.2%</b>         |       |             |
| Aguila 3 SA, 7.88%, 1/31/18 (b)                   | 632   | 655,700     |
| <b>Wireless Telecommunication Services 4.5%</b>   |       |             |
| Clearwire Communications LLC (b):                 |       |             |
| 12.00%, 12/01/15                                  | 730   | 795,700     |
| 12.00%, 12/01/17                                  | 1,670 | 1,803,600   |
| Cricket Communications, Inc.:                     |       |             |
| 10.00%, 7/15/15                                   | 1,120 | 1,234,800   |
| 7.75%, 5/15/16                                    | 1,140 | 1,205,550   |
| Digicel Group Ltd. (b):                           |       |             |
| 8.88%, 1/15/15                                    | 1,030 | 1,071,200   |
| 9.13%, 1/15/15 (c)                                | 2,787 | 2,902,660   |
| 8.25%, 9/01/17                                    | 1,650 | 1,724,250   |
| 10.50%, 4/15/18                                   | 800   | 912,000     |
| FiberTower Corp., 9.00%, 1/01/16 (c)              | 503   | 437,711     |
| iPCS, Inc., 2.43%, 5/01/13 (i)                    | 1,200 | 1,185,000   |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b) | 500   | 513,750     |
| MetroPCS Wireless, Inc.:                          |       |             |
| 7.88%, 9/01/18                                    | 770   | 813,313     |
| 6.63%, 11/15/20                                   | 1,140 | 1,110,075   |
| NII Holdings, Inc., 3.13%, 6/15/12 (e)            | 550   | 547,250     |
| Sprint Capital Corp., 6.88%, 11/15/28             | 2,290 | 2,063,862   |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)      | 380   | 410,400     |
|   |       | 18,731,121  |
| <b>Total Corporate Bonds 102.9%</b>               |       | 428,629,325 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (i)  |     | Par<br>(000) | Value            |
|---|-----|--------------|------------------|
| <b>Building Products 0.3%</b>   |     |              |                  |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/13/17                         | USD | 1,175        | \$ 1,210,984     |
| <b>Capital Markets 0.1%</b>   |     |              |                  |
| Marsico Parent Co., LLC, Term Loan, 5.31%,<br>12/15/14                                    |     | 755          | 613,494          |
| <b>Chemicals 0.3%</b>   |     |              |                  |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan<br>(First Lien), 3.52% 3.56%, 7/30/14 |     | 449          | 441,749          |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17  |     | 1,000        | 1,009,000        |
|   |     |              | <u>1,450,749</u> |
| <b>Commercial Services &amp; Supplies 0.8%</b>  |     |              |                  |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>7.75%, 6/10/16                              |     | 770          | 790,694          |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16   |     | 875          | 882,499          |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% 10.75%, 8/24/16       |     | 1,496        | 1,510,584        |
|   |     |              | <u>3,183,777</u> |
| <b>Construction &amp; Engineering 0.7%</b>  |     |              |                  |
| Safway Services, LLC, Last Out Term Loan,<br>15.63%, 12/14/17                             |     | 3,000        | 3,000,000        |
| <b>Consumer Finance 1.5%</b>  |     |              |                  |
| Springleaf Financial Funding Co. (FKA AGFS<br>Funding Co.), Term Loan, 7.25%, 4/21/15     |     | 6,000        | 6,053,400        |
| <b>Electric Utilities 0.1%</b>  |     |              |                  |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17                                |     | 209          | 211,321          |
| <b>Food Products 0.3%</b>   |     |              |                  |
| Advance Pierre Foods, Term Loan, 11.25%, 9/29/17  |     | 1,300        | 1,332,500        |
| <b>Health Care Providers &amp; Services 0.7%</b>  |     |              |                  |
| Harden Healthcare, Inc.:  |     |              |                  |
| Tranche A Additional Term Loan, 7.75%,<br>3/02/15   |     | 760          | 744,800          |
| Tranche A Term Loan, 8.50%, 2/22/15   |     | 630          | 617,556          |
| inVentiv Health, Inc. (FKA Ventione Health, Inc.),<br>Term Loan B, 4.75%, 7/31/16         |     | 1,393        | 1,399,094        |

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|   |  |     |              |    |              |
|---|--|-----|--------------|----|--------------|
|   |  |     |              |    | 2,761,450    |
| <b>Hotels, Restaurants &amp; Leisure 0.8%</b>   |  |     |              |    |              |
| Harrah's Operating Co., Inc., Term Loan B-3, 3.30%, 1/28/15   |  |     |              |    |              |
|   |  |     | 625          |    | 580,295      |
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.31%, 3/27/12 (c)   |  |     |              |    |              |
|   |  |     | 3,095        |    | 2,761,909    |
| <hr/>   |  |     |              |    |              |
|   |  |     |              |    | 3,342,204    |
| <b>Household Durables 0.7%</b>  |  |     |              |    |              |
| Visant Corp. (FKA Jostens), Term Loan B, 7.00%, 12/20/16  |  |     |              |    |              |
|   |  |     | 1,496        |    | 1,509,641    |
| Visant Holding Corp. Term Loan, 4.31%, 12/22/16   |  |     |              |    |              |
|   |  |     | 1,500        |    | 1,500,000    |
| <hr/>   |  |     |              |    |              |
|   |  |     |              |    | 3,009,641    |
| <b>IT Services 0.5%</b>   |  |     |              |    |              |
| First Data Corp.:   |  |     |              |    |              |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14   |  |     |              |    |              |
|   |  |     | 254          |    | 240,882      |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14   |  |     |              |    |              |
|   |  |     | 608          |    | 576,064      |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14   |  |     |              |    |              |
|   |  |     | 1,119        |    | 1,059,193    |
| <hr/>   |  |     |              |    |              |
|   |  |     |              |    | 1,876,139    |
| <hr/>   |  |     |              |    |              |
| <b>Floating Rate Loan Interests (i)</b>   |  |     |              |    |              |
|   |  |     | <b>Par</b>   |    | <b>Value</b> |
|   |  |     | <b>(000)</b> |    |              |
| <b>Independent Power Producers &amp; Energy Traders 1.0%</b>  |  |     |              |    |              |
| Texas Competitive Electric Holdings Co., LLC (TXU):   |  |     |              |    |              |
| Initial Tranche B-1 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |              |    |              |
|   |  | USD | 321          | \$ | 270,421      |
| Initial Tranche B-2 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |              |    |              |
|   |  |     | 313          |    | 263,372      |
| Initial Tranche B-3 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |              |    |              |
|   |  |     | 4,233        |    | 3,558,478    |
| <hr/>   |  |     |              |    |              |
|   |  |     |              |    | 4,092,271    |
| <b>Media 4.0%</b>   |  |     |              |    |              |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 |  |     |              |    |              |
|   |  |     | 2,438        |    | 2,448,469    |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 6.01%, 6/12/14   |  |     |              |    |              |
|   |  |     | 1,371        |    | 1,301,692    |
| Intelsat Jackson Holdings Ltd., Term Loan B, 5.25%, 3/07/18   |  |     |              |    |              |
|   |  |     | 10,750       |    | 10,822,229   |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13   |  |     |              |    |              |
|   |  |     | 2,150        |    | 2,285,719    |
| <hr/>   |  |     |              |    |              |
|   |  |     |              |    | 16,858,109   |
| <b>Metals &amp; Mining 0.1%</b>   |  |     |              |    |              |
| Euramax International, Inc., Domestic Term Loan: 10.00%, 6/29/13  |  |     |              |    |              |
|   |  |     | 258          |    | 248,803      |

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|  |     |       |            |
|--|-----|-------|------------|
| 14.00%, 6/29/13  |     | 248   | 238,839    |
|  |     |       | 487,642    |
| <b>Multiline Retail 0.4%</b>                                       |     |       |            |
| Hema Holding BV, Mezzanine, 4.41% 5.00%,<br>1/29/17 (c)            | EUR | 1,338 | 1,808,986  |
| <b>Oil, Gas &amp; Consumable Fuels 1.2%</b>                        |     |       |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/30/15          | USD | 3,453 | 3,539,449  |
| Turbo Beta Ltd., Dollar Facility, 2.50% 12.00%,<br>3/15/18 (c)     |     | 3,527 | 1,446,152  |
|  |     |       | 4,985,601  |
| <b>Paper &amp; Forest Products 0.4%</b>                            |     |       |            |
| Verso Paper Finance Holdings LLC, 7.30%, 2/01/13                   |     | 2,020 | 1,818,170  |
| <b>Pharmaceuticals 0.2%</b>  |     |       |            |
| Axcan Pharma, Inc., Term Loan, 0.50% 5.50%,<br>2/03/17             |     | 1,000 | 1,002,500  |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>                  |     |       |            |
| iStar Financial, Inc., Term Loan (Second Lien),<br>6/28/11         |     | 350   | 345,187    |
| <b>Real Estate Management &amp; Development 0.3%</b>               |     |       |            |
| Realogy Corp.:   |     |       |            |
| Term Loan B, 4.56% 6.50%, 10/16/16                                 |     | 1,084 | 1,039,930  |
| Term Loan C, 0.11% 4.40%, 10/16/16                                 |     | 196   | 188,120    |
|  |     |       | 1,228,050  |
| <b>Specialty Retail 0.2%</b>                                       |     |       |            |
| Claire's Stores, Inc., Term Loan B, 3.01% 5.00%,<br>5/29/14        |     | 215   | 209,544    |
| Michaels Stores, Inc., Term Loan B-1, 2.56% 2.63%,<br>10/31/13     |     | 486   | 484,218    |
|  |     |       | 693,762    |
| <b>Wireless Telecommunication Services 0.7%</b>                    |     |       |            |
| Vodafone Americas Finance 2, Inc., Initial Loan,<br>6.88%, 7/30/15 |     | 2,847 | 2,946,808  |
| <b>Total Floating Rate Loan Interests 15.4%</b>                    |     |       | 64,312,745 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

| Other Interests (j)  | Beneficial<br>Interest<br>(000) | Value             |
|--|---------------------------------|-------------------|
| <b>Auto Components 2.5%</b>  |                                 |                   |
| Delphi Debtor-in-Possession Holding Co. LLP,<br>Class B Membership Interests | USD 1                           | \$ 10,484,987     |
| Lear Corp. Escrow  | 790                             | 21,725            |
|  |                                 | <u>10,506,712</u> |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                |                                 |                   |
| Buffets, Inc.  | 970                             | 10                |
| <b>Media 0.0%</b>  |                                 |                   |
| Adelphia Escrow  | 1,250                           | 12                |
| Adelphia Recovery Trust  | 1,568                           | 157               |
|  |                                 | <u>169</u>        |
| <b>Total Other Interests 2.5%</b>  |                                 | <u>10,506,891</u> |

| Preferred Stocks                                      | Shares  |                |
|---|---------|----------------|
| <b>Auto Components 0.7%</b>                           |         |                |
| Dana Holding Corp., 4.00% (b)(e)                      | 18,800  | 3,085,550      |
| <b>Automobiles 0.8%</b>                               |         |                |
| General Motors Co., 4.75% (a)                         | 68,700  | 3,495,456      |
| <b>Diversified Financial Services 0.8%</b>            |         |                |
| Citigroup, Inc., 7.50% (e)                            | 24,500  | 3,295,250      |
| <b>Household Durables 0.1%</b>                        |         |                |
| Beazer Homes USA, Inc., 7.50% (e)                     | 17,226  | 429,789        |
| <b>Media 0.2%</b>                                     |         |                |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b) | 55,038  | 1              |
| TRA Global, Inc., 0.00% (a)                           | 420,689 | 679,833        |
|   |         | <u>679,834</u> |
| <b>Professional Services 0.1%</b>                     |         |                |
| Nielsen Holdings NV, 6.25% (a)(e)                     | 6,584   | 363,355        |

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|   |         |            |
|---|---------|------------|
| <b>Real Estate Investment Trusts (REITs) 0.1%</b> |         |            |
| MPG Office Trust, Inc., Series A, 7.63% (a)       | 13,326  | 247,197    |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>        |         |            |
| Fannie Mac, Series O, 0.00% (a)                   | 40,000  | 128,000    |
| Freddie Mac, Series Z, 8.38% (a)                  | 108,377 | 210,251    |
|   |         | 338,251    |
| <b>Total Preferred Stocks 2.9%</b>                |         | 11,934,682 |

**Warrants (k)**

|   |        |        |
|---|--------|--------|
| <b>Containers &amp; Packaging 0.0%</b>                        |        |        |
| MDP Acquisitions Plc (Expires 10/01/13)                       | 1,100  | 70,991 |
| <b>Health Care Providers &amp; Services 0.0%</b>              |        |        |
| HealthSouth Corp. (Expires 1/16/14)                           | 52,465 | 1      |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                 |        |        |
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14)          | 819    | 8      |
| <b>Media 0.0%</b>   |        |        |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (b) | 62,894 | 1      |
| New Vision Holdings LLC (Expires 9/30/14)                     | 4      | 40     |
| New Vision Holdings LLC (Expires 9/30/14)                     | 22     | 222    |
|   |        | 263    |

| Warrants (k)   | Shares | Value  |
|--|--------|--------|
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>                |        |        |
| Turbo Cayman Ltd. (No Expiration)                          | 2      |        |
| <b>Software 0.0%</b>                                       |        |        |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17) | 491    | \$ 5   |
| HMH Holdings/EduMedia (Expires 3/09/17)                    | 20,878 |        |
|  |        | 5      |
| <b>Total Warrants 0.0%</b>                                 |        | 71,268 |

|   |  |             |
|---|--|-------------|
| <b>Total Long-Term Investments</b><br>(Cost \$512,793,951) 129.4% |  | 539,227,737 |
|---|--|-------------|

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Short-Term Securities

|   |           |                |
|---|-----------|----------------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (l)(m) | 1,708,712 | 1,708,712      |
| <b>Total Short-Term Securities</b><br>(Cost \$1,708,712) 0.4%             |           | 1,708,712      |
| <b>Total Investments (Cost \$514,502,663*) 129.8%</b>                     |           | 540,936,449    |
| <b>Liabilities in Excess of Other Assets (29.8)%</b>                      |           | (124,241,865)  |
| <b>Net Assets 100.0%</b>  |           | \$ 416,694,584 |

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

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 515,890,877 |
| Gross unrealized appreciation | \$ 42,092,541  |
| Gross unrealized depreciation | (17,046,969)   |
| Net unrealized appreciation   | \$ 25,045,572  |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value      | Unrealized<br>Appreciation |
|-----------------------------|------------|----------------------------|
| Banc of America NA          | \$ 198,413 | \$ 2,278                   |
| Credit Suisse International | \$ 838,200 | \$ 11,002                  |
| Sterne Agee                 | \$ 81,400  | \$ 934                     |

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- (h) Issuer filed for bankruptcy and/or is in default of interest payments.
- (i) Variable rate security. Rate shown is as of report date.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (k) Warrants entitle the Trust 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.

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

- (l) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at August 31, 2010 | Net Activity | Shares Held at February 28, 2011 | Income   |
|--|--------------------------------|--------------|----------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,725,924                      | (1,017,212)  | 1,708,712                        | \$ 2,318 |

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

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

| Contracts | Issue          | Exchange           | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------|--------------------|------------|----------------|-------------------------|
| 158       | E-mini S&P 500 | Chicago Mercantile | March 2011 | \$ 10,036,115  | \$ (440,075)            |

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

| Issuer                         | Pay Fixed Rate | Counterparty                | Expiration | Notional Amount (000) | Unrealized Depreciation |
|--------------------------------|----------------|-----------------------------|------------|-----------------------|-------------------------|
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs International | 12/20/11   | \$ 755                | \$ (34,429)             |
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs Bank USA      | 12/20/13   | \$ 1,475              | (125,466)               |
| Louisiana-Pacific Corp.        | 5.00%          | JPMorgan Chase Bank NA      | 3/20/14    | \$ 1,000              | (228,385)               |
| Harrah's Operating Co., Inc.   | 5.00%          | Deutsche Bank AG            | 12/20/15   | \$ 1,900              | (265,072)               |
| Republic of Hungary            | 1.00%          | Deutsche Bank AG            | 12/20/15   | \$ 450                | (8,158)                 |
| Israel (State of)              | 1.00%          | Deutsche Bank AG            | 3/20/16    | \$ 1,000              | (3,843)                 |
| iStar Financial, Inc.          | 5.00%          | Deutsche Bank AG            | 12/20/16   | \$ 350                | (69,478)                |
| <b>Total</b>                   |                |                             |            |                       | <b>\$ (734,831)</b>     |

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

| Issuer                                      | Receive<br>Fixed<br>Rate | Counterparty                | Expiration<br>Date | Issuer<br>Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation<br>(Depreciation) |
|---|--------------------------|-----------------------------|--------------------|---|--|--|
| iStar Financial, Inc.                       | 5.00%                    | Deutsche Bank AG            | 9/20/11            | CCC                                     | \$ 350                                   | \$ 37,448                                    |
| MBIA Insurance Corp.                        | 5.00%                    | Deutsche Bank AG            | 3/20/12            | B                                       | \$ 175                                   | 15,688                                       |
| Texas Competitive Electric Holdings Co. LLC | 5.00%                    | Goldman Sachs International | 9/20/12            | D                                       | \$ 750                                   | (75,717)                                     |
| MBIA Insurance Corp.                        | 5.00%                    | Deutsche Bank AG            | 12/20/12           | B                                       | \$ 1,060                                 | 114,600                                      |
| Advanced Micro Devices, Inc.                | 5.00%                    | JPMorgan Chase Bank NA      | 3/20/15            | B+                                      | \$ 700                                   | 85,150                                       |
| Realogy Corp.                               | 5.00%                    | JPMorgan Chase Bank NA      | 9/20/15            | CC                                      | \$ 200                                   | 30,606                                       |
| Assured Guaranty Ltd.                       | 5.00%                    | Deutsche Bank AG            | 12/20/15           | A+                                      | \$ 100                                   | 782  |
| D.R. Horton, Inc.                           | 1.00%                    | JPMorgan Chase Bank NA      | 12/20/15           | BB                                      | \$ 450                                   | 13,845                                       |
| M.D.C. Holdings, Inc.                       | 1.00%                    | Deutsche Bank AG            | 12/20/15           | BBB                                     | \$ 510                                   | 4,893  |
| M.D.C. Holdings, Inc.                       | 1.00%                    | JPMorgan Chase Bank NA      | 12/20/15           | BBB                                     | \$ 510                                   | 2,764  |
| Realogy Corp.                               | 5.00%                    | JPMorgan Chase Bank NA      | 12/20/15           | CC                                      | \$ 1,125                                 | 63,108                                       |
| ARAMARK Corp.                               | 5.00%                    | Goldman Sachs International | 3/20/16            | B                                       | \$ 750                                   | (1,360)                                      |
| Chesapeake Energy Corp.                     | 5.00%                    | Credit Suisse International | 3/20/16            | BB                                      | \$ 400                                   | 7,499  |
| Chesapeake Energy Corp.                     | 5.00%                    | Goldman Sachs International | 3/20/16            | BB                                      | \$ 400                                   | 4,449  |
| Chesapeake Energy Corp.                     | 5.00%                    | JPMorgan Chase Bank NA      | 3/20/16            | BB                                      | \$ 400                                   | 7,499  |
| Realogy Corp.                               | 5.00%                    | JPMorgan Chase Bank NA      | 3/20/16            | CC                                      | \$ 225                                   | 946  |
| General Motors Co.                          | 5.00%                    | Deutsche Bank AG            | 3/20/21            | BB                                      | \$ 600                                   | (1,503)                                      |
| <b>Total</b>                                |                          |                             |                    |   |  | <b>\$ 310,697</b>                            |

<sup>1</sup> Using Standard and Poor's rating.

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

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

| Index   | Receive<br>Fixed<br>Rate | Counterparty                | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Depreciation |
|---|--------------------------|-----------------------------|--------------------|-------------------------------|--|----------------------------|
| Dow Jones CDX North America<br>High Yield Index Series 10 | 0.00%                    | Deutsche Bank AG            | 6/20/11            | CCC                           | \$ 1,066                                 | \$ (8,217)                 |
| Dow Jones CDX North America<br>High Yield Index Series 9  | 0.00%                    | Deutsche Bank AG            | 12/20/12           | CCC                           | \$ 822                                   | (31,787)                   |
| Dow Jones CDX North America<br>High Yield Index Series 15 | 5.00%                    | Credit Suisse International | 12/20/15           | B                             | \$ 2,950                                 | (9,424)                    |
| <b>Total</b>  |                          |                             |                    |                               |  | <b>\$ (49,428)</b>         |

<sup>1</sup> Using Standard and Poor's rating of the underlying securities.

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

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

| Currency<br>Purchased | Currency<br>Sold | Counterparty               | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|----------------------------|--------------------|--|
| USD 587,989           | CAD 583,000      | Citibank NA                | 4/14/11            | \$ (11,490)                                  |
| USD 1,245,434         | GBP 788,500      | Citibank NA                | 4/14/11            | (35,857)                                     |
| USD 1,226,071         | GBP 763,000      | Deutsche Bank AG           | 4/14/11            | (13,783)                                     |
| USD 88,511            | GBP 55,000       | Royal Bank of Scotland Plc | 4/14/11            | (863)  |
| USD 372,564           | GBP 232,000      | UBS AG                     | 4/14/11            | (4,430)                                      |
| EUR 71,000            | USD 97,839       | Citibank NA                | 4/27/11            | 67   |
| USD 19,897,306        | EUR 14,539,500   | Citibank NA                | 4/27/11            | (152,089)                                    |
| USD 767,085           | EUR 568,000      | Deutsche Bank AG           | 4/27/11            | (16,164)                                     |
| USD 2,615,558         | EUR 1,910,000    | Royal Bank of Scotland Plc | 4/27/11            | (18,257)                                     |
| <b>Total</b>          |                  |                            |                    | <b>\$ (252,866)</b>                          |

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

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

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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 Trust's own assumptions used in determining the fair value of investments and derivatives)

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

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

| Valuation Inputs             | Level 1              | Level 2               | Level 3              | Total                 |
|------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                      |                       |                      |                       |
| Investments in Securities:   |                      |                       |                      |                       |
| Common Stocks                | \$ 22,010,893        | \$ 692,258            | \$ 1,069,675         | \$ 23,772,826         |
| Corporate Bonds              |                      | 420,263,251           | 8,366,074            | 428,629,325           |
| Floating Rate Loan Interests |                      | 48,867,310            | 15,445,435           | 64,312,745            |
| Other Interests              | 157                  | 10,484,987            | 21,747               | 10,506,891            |
| Preferred Stocks             | 7,677,943            | 3,576,905             | 679,834              | 11,934,682            |
| Warrants                     |                      | 70,991                | 277                  | 71,268                |
| Short-Term Securities        | 1,708,712            |                       |                      | 1,708,712             |
| Unfunded Loan Commitments    |                      | 1,563                 |                      | 1,563                 |
| <b>Liabilities:</b>          |                      |                       |                      |                       |
| Unfunded Loan Commitments    |                      |                       | (38,321)             | (38,321)              |
| <b>Total</b>                 | <b>\$ 31,397,705</b> | <b>\$ 483,957,265</b> | <b>\$ 25,544,721</b> | <b>\$ 540,899,691</b> |

| Derivative Financial Instruments <sup>1</sup> |                     |                     |         |                       |
|---|---------------------|---------------------|---------|-----------------------|
| Valuation Inputs                              | Level 1             | Level 2             | Level 3 | Total                 |
| <b>Assets:</b>                                |                     |                     |         |                       |
| Credit contracts                              |                     | \$ 389,277          |         | \$ 389,277            |
| Foreign currency exchange contracts           |                     | 67                  |         | 67                    |
| <b>Liabilities:</b>                           |                     |                     |         |                       |
| Credit contracts                              |                     | (862,839)           |         | (862,839)             |
| Foreign currency exchange contracts           |                     | (252,933)           |         | (252,933)             |
| Interest rate contracts                       | \$ (440,075)        |                     |         | (440,075)             |
| <b>Total</b>                                  | <b>\$ (440,075)</b> | <b>\$ (726,428)</b> |         | <b>\$ (1,166,503)</b> |

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



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See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock Corporate High Yield Fund V, Inc. (HYV)

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

|   | Common<br>Stocks    | Corporate<br>Bonds  | Floating Rate<br>Loan<br>Interests | Other<br>Interests | Preferred<br>Stocks | Warrants      | Unfunded<br>Loan<br>Commitments<br>(Liabilities) | Total                |
|---|---------------------|---------------------|------------------------------------|--------------------|---------------------|---------------|--|----------------------|
| <b>Assets/Liabilities:</b>                                      |                     |                     |                                    |                    |                     |               |  |                      |
| Balance, as of August 31, 2010                                  | \$ 1,056,339        | \$ 7,015,576        | \$ 21,875,386                      | \$ 16,367          | \$ 679,708          | \$ 49,708     | \$ (70,023)                                      | \$ 30,623,061        |
| Accrued discounts/premiums                                      |                     | 436,843             | 734,165                            |                    |                     |               |  | 1,171,008            |
| Net realized gain (loss)  |                     | 15,033              | 49,238                             |                    |                     |               |  | 64,271               |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 13,336              | (231,373)           | 6,129,124                          | 5,380              | 126                 | 21,554        | 31,702   | 5,969,849            |
| Purchases   |                     | 1,462,895           | 7,612,215                          |                    |                     | 6             |  | 9,075,116            |
| Sales   |                     | (166,539)           | (14,590,337)                       |                    |                     |               |  | (14,756,876)         |
| Transfers in <sup>3</sup>                                       |                     |                     | 1,446,152                          |                    |                     |               |  | 1,446,152            |
| Transfers out <sup>3</sup>                                      |                     | (166,361)           | (7,810,508)                        |                    |                     | (70,991)      |  | (8,047,860)          |
| <b>Balance as of February 28, 2011</b>                          | <b>\$ 1,069,675</b> | <b>\$ 8,366,074</b> | <b>\$ 15,445,435</b>               | <b>\$ 21,747</b>   | <b>\$ 679,834</b>   | <b>\$ 277</b> | <b>\$ (38,321)</b>                               | <b>\$ 25,544,721</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$5,947,885.

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

See Notes to Financial Statements.

Schedule of Investments February 28, 2011 (Unaudited)

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

| Common Stocks                                     | Shares  | Value        |
|---|---------|--------------|
| <b>Auto Components 0.3%</b>                       |         |              |
| Dana Holding Corp. (a)                            | 76,490  | \$ 1,444,131 |
| <b>Capital Markets 0.2%</b>                       |         |              |
| E*Trade Financial Corp. (a)                       | 46,400  | 741,472      |
| <b>Chemicals 0.0%</b>                             |         |              |
| Wellman Holdings, Inc. (a)                        | 2,616   | 131          |
| <b>Commercial Banks 0.1%</b>                      |         |              |
| CIT Group, Inc. (a)                               | 10,736  | 465,084      |
| <b>Communications Equipment 0.6%</b>              |         |              |
| Loral Space & Communications Ltd. (a)             | 36,431  | 2,756,369    |
| <b>Construction Materials 0.0%</b>                |         |              |
| Nortek, Inc. (a)                                  | 3,445   | 153,303      |
| <b>Diversified Financial Services 0.3%</b>        |         |              |
| Bank of America Corp.                             | 89,000  | 1,271,810    |
| <b>Electrical Equipment 0.0%</b>                  |         |              |
| Medis Technologies Ltd. (a)                       | 116,910 | 2,455        |
| <b>Food Products 0.1%</b>                         |         |              |
| Zhongpin, Inc. (a)                                | 18,157  | 337,539      |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>  |         |              |
| Zimmer Holdings, Inc. (a)                         | 8,727   | 544,041      |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>     |         |              |
| Buffets Restaurants Holdings, Inc. (a)            | 1,816   | 7,718        |
| <b>Household Durables 0.2%</b>                    |         |              |
| Beazer Homes USA, Inc. (a)                        | 68,300  | 317,595      |
| Pulte Group, Inc. (a)                             | 84,500  | 583,050      |
|   |         | 900,645      |
| <b>Machinery 0.1%</b>                             |         |              |
| Navistar International Corp. (a)                  | 5,338   | 330,849      |
| <b>Media 1.0%</b>                                 |         |              |
| Charter Communications, Inc. (a)                  | 85,376  | 3,907,660    |
| Clear Channel Outdoor Holdings, Inc., Class A (a) | 16,704  | 246,217      |
|   |         | 4,153,877    |

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|                                 |        |         |
|---------------------------------|--------|---------|
| <b>Metals &amp; Mining 0.1%</b> |        |         |
| African Minerals Ltd. (a)       | 50,501 | 444,554 |

|   |        |           |
|---|--------|-----------|
| <b>Oil, Gas &amp; Consumable Fuels 0.8%</b> |        |           |
| Alpha Natural Resources, Inc. (a)           | 19,000 | 1,030,180 |
| Marathon Oil Corp.                          | 44,400 | 2,202,240 |

3,232,420

|   |         |         |
|---|---------|---------|
| <b>Paper &amp; Forest Products 0.3%</b> |         |         |
| Ainsworth Lumber Co. Ltd. (a)           | 192,951 | 637,510 |
| Ainsworth Lumber Co. Ltd. (a)(b)        | 221,591 | 732,136 |
| Western Forest Products, Inc. (a)(b)    | 78,039  | 59,440  |

1,429,086

|   |        |           |
|---|--------|-----------|
| <b>Road &amp; Rail 0.3%</b>               |        |           |
| Dollar Thrifty Automotive Group, Inc. (a) | 27,600 | 1,465,836 |

|  |        |           |
|--|--------|-----------|
| <b>Semiconductors &amp; Semiconductor Equipment 0.4%</b> |        |           |
| Spanion, Inc., Class A (a)                               | 73,658 | 1,551,974 |
| SunPower Corp., Class B (a)                              | 1,235  | 20,847    |

1,572,821

| Common Stocks | Shares | Value |
|---------------|--------|-------|
|---------------|--------|-------|

|   |         |          |
|---|---------|----------|
| <b>Software 0.2%</b>                      |         |          |
| Bankruptcy Management Solutions, Inc. (a) | 787     | \$ 2,754 |
| HMH Holdings/EduMedia (a)                 | 141,287 | 706,434  |

709,188

|   |         |           |
|---|---------|-----------|
| <b>Wireless Telecommunication Services 0.7%</b> |         |           |
| American Tower Corp., Class A (a)               | 17,859  | 963,672   |
| Crown Castle International Corp. (a)            | 43,048  | 1,814,473 |
| FiberTower Corp. (a)                            | 127,570 | 423,532   |

3,201,677

|                                 |  |            |
|---------------------------------|--|------------|
| <b>Total Common Stocks 5.8%</b> |  | 25,165,006 |
|---------------------------------|--|------------|

| Corporate Bonds |  | Par (000) |
|-----------------|--|-----------|
|-----------------|--|-----------|

|  |     |     |
|--|-----|-----|
| <b>Aerospace &amp; Defense 0.3%</b>                        |     |     |
| DynCorp International, Inc., 10.38%, 7/01/17 (b)           | USD | 440 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 |     | 730 |

823,075

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|  |     |       |            |
|--|-----|-------|------------|
|  |     |       | 1,296,075  |
| <b>Airlines 2.9%</b>                           |     |       |            |
| Air Canada, 9.25%, 8/01/15 (b)                 |     | 1,640 | 1,754,800  |
| American Airlines, Inc.:                       |     |       |            |
| 10.50%, 10/15/12                               |     | 1,470 | 1,613,325  |
| Series 2001-2, 7.86%, 4/01/13                  |     | 510   | 526,575    |
| Continental Airlines, Inc.:                    |     |       |            |
| 6.75%, 9/15/15 (b)                             |     | 900   | 924,750    |
| Series 1997-4-B, 6.90%, 7/02/18                |     | 1,132 | 1,148,600  |
| Series 2001-1-C, 7.03%, 12/15/12               |     | 284   | 285,712    |
| Series 2010-1-B, 6.00%, 7/12/20                |     | 700   | 698,250    |
| Delta Air Lines, Inc.:                         |     |       |            |
| Series 2010-1-B, 6.38%, 7/02/17                |     | 900   | 895,500    |
| Series B, 9.75%, 12/17/16                      |     | 1,443 | 1,558,301  |
| United Air Lines, Inc., 12.75%, 7/15/12        |     | 3,064 | 3,424,120  |
|  |     |       | 12,829,933 |
| <b>Auto Components 1.5%</b>                    |     |       |            |
| Allison Transmission, Inc. (b):                |     |       |            |
| 11.00%, 11/01/15                               |     | 360   | 391,500    |
| 11.25%, 11/01/15 (c)                           |     | 284   | 309,560    |
| Delphi International Holdings Unsecured,       |     |       |            |
| 12.00%, 10/06/14                               |     | 69    | 76,049     |
| Exide Technologies, 8.63%, 2/01/18 (b)         |     | 580   | 618,425    |
| Icahn Enterprises LP, 8.00%, 1/15/18           |     | 5,060 | 5,237,100  |
|  |     |       | 6,632,634  |
| <b>Beverages 0.2%</b>                          |     |       |            |
| Cott Beverages, Inc., 8.13%, 9/01/18           |     | 413   | 444,491    |
| Crown European Holdings SA, 7.13%, 8/15/18 (b) | EUR | 380   | 558,469    |
|  |     |       | 1,002,960  |
| <b>Biotechnology 0.2%</b>                      |     |       |            |
| QHP Pharma, 10.25%, 3/15/15 (b)                | USD | 763   | 768,649    |
| <b>Building Products 1.2%</b>                  |     |       |            |
| Associated Materials LLC, 9.13%, 11/01/17 (b)  |     | 760   | 821,750    |
| Building Materials Corp. of America (b):       |     |       |            |
| 6.88%, 8/15/18                                 |     | 825   | 845,625    |
| 7.00%, 2/15/20                                 |     | 980   | 1,032,675  |
| Momentive Performance Materials, Inc.:         |     |       |            |
| 11.50%, 12/01/16                               |     | 265   | 287,525    |
| 9.00%, 1/15/21 (b)                             |     | 1,985 | 2,111,544  |
|  |     |       | 5,099,119  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Corporate Bonds                                       |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Capital Markets 0.6%</b>                           |     |              |            |
| American Capital Ltd., 7.96%, 12/31/13 (d)            | USD | 780          | \$ 798,775 |
| E*Trade Financial Corp., 3.43%, 8/31/19 (b)(d)(e)     |     | 380          | 587,100    |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)             |     | 1,020        | 1,050,932  |
|   |     |              | 2,436,807  |
| <b>Chemicals 3.4%</b>                                 |     |              |            |
| American Pacific Corp., 9.00%, 2/01/15                |     | 1,400        | 1,375,500  |
| Chemtura Corp., 7.88%, 9/01/18 (b)                    |     | 825          | 880,687    |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)                |     | 260          | 289,250    |
| Hexion U.S. Finance Corp.:                            |     |              |            |
| 8.88%, 2/01/18  |     | 1,225        | 1,315,344  |
| 9.00%, 11/15/20 (b)                                   |     | 575          | 611,656    |
| Huntsman International LLC (b):                       |     |              |            |
| 6.88%, 11/15/13                                       | EUR | 440          | 620,843    |
| 8.63%, 3/15/21  | USD | 780          | 865,800    |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)                 |     | 655          | 718,863    |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)               |     | 195          | 198,900    |
| MacDermid, Inc., 9.50%, 4/15/17 (b)                   |     | 1,985        | 2,114,025  |
| Nalco Co., 6.63%, 1/15/19 (b)                         |     | 515          | 532,381    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(f)            |     | 290          | 295,075    |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)               |     | 1,055        | 1,157,862  |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b)           |     | 230          | 236,038    |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)               |     | 228          | 237,405    |
| PolyOne Corp., 7.38%, 9/15/20                         |     | 335          | 355,100    |
| Rhodia SA, 6.88%, 9/15/20 (b)                         |     | 1,135        | 1,161,956  |
| TPC Group LLC, 8.25%, 10/01/17 (b)                    |     | 520          | 553,150    |
| Wellman Holdings, Inc., Subordinate Note (e):         |     |              |            |
| (Second Lien), 10.00%, 1/29/19                        |     | 1,450        | 1,261,500  |
| (Third Lien), 5.00%, 1/29/19 (c)                      |     | 488          | 190,229    |
|   |     |              | 14,971,564 |
| <b>Commercial Banks 2.8%</b>                          |     |              |            |
| CIT Group, Inc.:                                      |     |              |            |
| 7.00%, 5/01/16  |     | 2,995        | 3,021,206  |
| 7.00%, 5/01/17  |     | 9,275        | 9,344,563  |
|   |     |              | 12,365,769 |
| <b>Commercial Services &amp; Supplies 1.7%</b>        |     |              |            |
| ACCO Brands Corp., 10.63%, 3/15/15                    |     | 1,170        | 1,322,100  |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)       |     | 276          | 283,590    |
| Brickman Group Holdings, Inc., 9.13%,<br>11/01/18 (b) |     | 815          | 876,125    |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (b)       |     | 576          | 590,400    |
| International Lease Finance Corp., 8.25%,<br>12/15/20 |     | 503          | 559,588    |

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|  |       |           |
|--|-------|-----------|
| Mobile Mini, Inc., 7.88%, 12/01/20 (b) | 360   | 383,400   |
| RSC Equipment Rental, Inc. (b):        |       |           |
| 10.00%, 7/15/17                        | 935   | 1,075,250 |
| 8.25%, 2/01/21                         | 913   | 965,497   |
| West Corp. (b):                        |       |           |
| 8.63%, 10/01/18                        | 1,170 | 1,240,200 |
| 7.88%, 1/15/19                         | 305   | 313,006   |

7,609,156

**Communications Equipment 0.2%**

|                                 |     |         |
|---------------------------------|-----|---------|
| Avaya, Inc., 7.00%, 4/01/19 (b) | 670 | 663,300 |
|---------------------------------|-----|---------|

**Computers & Peripherals 0.3%**

|                                |     |           |
|--------------------------------|-----|-----------|
| EMC Corp., 1.75%, 12/01/13 (c) | 740 | 1,293,150 |
|--------------------------------|-----|-----------|

**Construction Materials 1.3%**

|                      |       |           |
|----------------------|-------|-----------|
| Nortek, Inc.:        |       |           |
| 11.00%, 12/01/13     | 3,460 | 3,685,231 |
| 10.00%, 12/01/18 (b) | 1,850 | 1,974,875 |

5,660,106

| Corporate Bonds                         |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Consumer Finance 0.7%</b>            |     |              |    |           |
| Credit Acceptance Corp., 9.13%, 2/01/17 | USD | 1,080        | \$ | 1,163,700 |
| Ford Motor Credit Co. LLC:              |     |              |    |           |
| 3.05%, 1/13/12 (g)                      |     | 340          |    | 343,465   |
| 7.80%, 6/01/12                          |     | 300          |    | 319,933   |
| 6.63%, 8/15/17                          |     | 1,140        |    | 1,212,479 |
|   |     |              |    | 3,039,577 |

**Containers & Packaging 2.2%**

|  |     |       |  |           |
|--|-----|-------|--|-----------|
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (b) | EUR | 680   |  | 968,868   |
| Ball Corp., 6.75%, 9/15/20                           | USD | 785   |  | 822,288   |
| Berry Plastics Corp.:                                |     |       |  |           |
| 8.25%, 11/15/15                                      |     | 215   |  | 230,319   |
| 9.75%, 1/15/21 (b)                                   |     | 1,435 |  | 1,438,587 |
| Graham Packaging Co. LP, 8.25%, 10/01/18             |     | 390   |  | 420,225   |
| Graphic Packaging International, Inc.:               |     |       |  |           |
| 9.50%, 6/15/17                                       |     | 1,245 |  | 1,381,950 |
| 7.88%, 10/01/18                                      |     | 620   |  | 666,500   |
| OI European Group BV, 6.88%, 3/31/17                 | EUR | 254   |  | 364,968   |
| Pregis Corp., 12.38%, 10/15/13                       | USD | 905   |  | 911,787   |
| Smurfit Kappa Acquisitions (b):                      |     |       |  |           |
| 7.25%, 11/15/17                                      | EUR | 785   |  | 1,148,263 |
| 7.75%, 11/15/19                                      |     | 745   |  | 1,100,033 |

9,453,788

**Diversified Consumer Services 1.2%**

|   |     |       |  |           |
|---|-----|-------|--|-----------|
| Service Corp. International, 7.00%, 6/15/17 | USD | 4,775 |  | 5,085,375 |
|---|-----|-------|--|-----------|

**Diversified Financial Services 6.0%**

|  |     |       |            |
|--|-----|-------|------------|
| Ally Financial, Inc.:                                  |     |       |            |
| 7.50%, 12/31/13  |     | 700   | 763,000    |
| 2.51%, 12/01/14 (g)                                    |     | 635   | 623,986    |
| 8.30%, 2/12/15   |     | 1,930 | 2,178,487  |
| 6.25%, 12/01/17 (b)                                    |     | 1,230 | 1,283,813  |
| 8.00%, 3/15/20   |     | 2,360 | 2,657,950  |
| 7.50%, 9/15/20 (b)                                     |     | 1,900 | 2,078,125  |
| 8.00%, 11/01/31  |     | 1,570 | 1,797,650  |
| 8.00%, 11/01/31  |     | 1,370 | 1,569,188  |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  |     |       |            |
|  |     | 695   | 766,238    |
| FCE Bank Plc, 7.13%, 1/15/13                           | EUR | 1,450 | 2,108,489  |
| Leucadia National Corp., 8.13%, 9/15/15                | USD | 1,870 | 2,057,000  |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) |     |       |            |
|  |     | 2,050 | 2,183,250  |
| Reynolds Group Issuer, Inc. (b):                       |     |       |            |
| 7.75%, 10/15/16  | EUR | 600   | 877,653    |
| 7.13%, 4/15/19   | USD | 910   | 932,750    |
| 9.00%, 4/15/19   |     | 2,685 | 2,799,112  |
| 6.88%, 2/15/21   |     | 610   | 611,525    |
| 8.25%, 2/15/21   |     | 760   | 761,900    |
|  |     |       | 26,050,116 |

**Diversified Telecommunication Services 4.1%**

|   |  |       |           |
|---|--|-------|-----------|
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 |  |       |           |
|   |  | 1,680 | 1,673,700 |
| Frontier Communications Corp.:                        |  |       |           |
| 8.25%, 4/15/17  |  | 598   | 660,790   |
| 8.50%, 4/15/20  |  | 500   | 555,000   |
| GCI, Inc., 8.63%, 11/15/19                            |  | 1,700 | 1,870,000 |
| ITC Deltacom, Inc., 10.50%, 4/01/16                   |  | 550   | 603,625   |
| Level 3 Communications, Inc., 6.50%, 10/01/16 (d)     |  | 440   | 628,100   |
| Level 3 Financing, Inc.:                              |  |       |           |
| 5.50%, 11/01/14                                       |  | 200   | 206,500   |
| 8.75%, 2/15/17  |  | 2,240 | 2,200,800 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

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

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Diversified Telecommunication Services (concluded)</b>      |     |              |              |
| Qwest Communications International, Inc.:                      |     |              |              |
| 7.50%, 2/15/14   | USD | 3,190        | \$ 3,237,850 |
| 8.00%, 10/01/15  |     | 900          | 982,125      |
| Series B, 7.50%, 2/15/14                                       |     | 2,370        | 2,405,550    |
| Qwest Corp., 7.63%, 6/15/15                                    |     | 875          | 1,004,062    |
| Windstream Corp.:  |     |              |              |
| 8.13%, 8/01/13   |     | 703          | 774,179      |
| 7.88%, 11/01/17  |     | 1,017        | 1,104,716    |
|  |     |              | 17,906,997   |
| <b>Electronic Equipment, Instruments &amp; Components 0.7%</b> |     |              |              |
| CDW LLC:   |     |              |              |
| 11.00%, 10/12/15   |     | 190          | 206,625      |
| 11.50%, 10/12/15 (c)   |     | 1,030        | 1,117,550    |
| 8.00%, 12/15/18 (b)  |     | 880          | 946,000      |
| NXP BV, 3.05%, 10/15/13 (f)                                    |     | 800          | 796,000      |
|  |     |              | 3,066,175    |
| <b>Energy Equipment &amp; Services 1.4%</b>                    |     |              |              |
| Bayou Well Services, 0.16%, 12/22/13                           |     |              |              |
|  |     | 975          | 975,000      |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                       |     |              |              |
|  |     | 380          | 389,500      |
| Compagnie Générale de Géophysique-Veritas:                     |     |              |              |
| 7.50%, 5/15/15   |     | 1,535        | 1,588,725    |
| 7.75%, 5/15/17   |     | 395          | 417,712      |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)                   |     |              |              |
|  |     | 685          | 702,125      |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)                    |     |              |              |
|  |     | 965          | 998,775      |
| Precision Drilling Corp., 6.63%, 11/15/20 (b)                  |     |              |              |
|  |     | 180          | 185,850      |
| Thermon Industries, Inc., 9.50%, 5/01/17                       |     |              |              |
|  |     | 850          | 920,125      |
|  |     |              | 6,177,812    |
| <b>Food &amp; Staples Retailing 0.7%</b>                       |     |              |              |
| AmeriQual Group LLC, 9.50%, 4/01/12 (b)                        |     |              |              |
|  |     | 910          | 900,900      |
| BI-LO LLC, 9.25%, 2/15/19 (b)                                  |     |              |              |
|  |     | 515          | 535,600      |
| Rite Aid Corp.:  |     |              |              |
| 9.75%, 6/12/16   |     | 660          | 743,325      |
| 7.50%, 3/01/17   |     | 945          | 950,906      |
|  |     |              | 3,130,731    |
| <b>Food Products 0.7%</b>                                      |     |              |              |
| B&G Foods, Inc., 7.63%, 1/15/18                                |     |              |              |
|  |     | 340          | 362,950      |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (b)                      |     |              |              |
|  |     | 1,640        | 1,656,400    |
| Darling International, Inc., 8.50%, 12/15/18 (b)               |     |              |              |
|  |     | 375          | 404,531      |

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|   |     |           |
|---|-----|-----------|
| Reddy Ice Corp., 11.25%, 3/15/15        | 690 | 724,500   |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 102 | 120,360   |
|   |     | 3,268,741 |

|  |       |           |
|--|-------|-----------|
| <b>Health Care Equipment &amp; Supplies 1.4%</b> |       |           |
| DJO Finance LLC, 10.88%, 11/15/14                | 3,810 | 4,176,712 |
| Hologic, Inc., 2.00%, 12/15/37 (e)(h)            | 2,150 | 2,072,063 |
|  |       | 6,248,775 |

|   |         |           |
|---|---------|-----------|
| <b>Health Care Providers &amp; Services 5.6%</b>  |         |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | 430     | 448,275   |
| ConvaTec Healthcare E SA (b):                     |         |           |
| 7.38%, 12/15/17                                   | EUR 800 | 1,148,125 |
| 10.50%, 12/15/18                                  | USD 740 | 789,950   |
| DaVita, Inc., 6.38%, 11/01/18                     | 620     | 628,525   |
| Gentiva Health Services, Inc., 11.50%, 9/01/18    | 1,095   | 1,233,244 |
| HCA, Inc.:  |         |           |
| 9.13%, 11/15/14                                   | 2,745   | 2,878,819 |
| 8.50%, 4/15/19                                    | 1,550   | 1,736,000 |
| 7.25%, 9/15/20                                    | 3,605   | 3,888,894 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        | 1,020   | 1,048,050 |

| Corporate Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Health Care Providers &amp; Services (concluded)</b> |              |            |
| Omnicare, Inc.:   |              |            |
| 6.13%, 6/01/13  | USD 276      | \$ 277,035 |
| 6.88%, 12/15/15   | 675          | 696,937    |
| 7.75%, 6/01/20  | 980          | 1,046,150  |
| Priory Group Ltd., 7.00%, 2/15/18                       | GBP 220      | 366,583    |
| Tenet Healthcare Corp.:                                 |              |            |
| 9.00%, 5/01/15  | USD 2,935    | 3,228,500  |
| 10.00%, 5/01/18   | 1,050        | 1,233,750  |
| 8.88%, 7/01/19  | 3,360        | 3,822,000  |
|   |              | 24,470,837 |

|                                       |       |           |
|---------------------------------------|-------|-----------|
| <b>Health Care Technology 1.1%</b>    |       |           |
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 3,760 | 4,408,600 |
| MedAssets, Inc., 8.00%, 11/15/18 (b)  | 255   | 262,013   |
|                                       |       | 4,670,613 |

|   |         |           |
|---|---------|-----------|
| <b>Hotels, Restaurants &amp; Leisure 3.7%</b> |         |           |
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)        | 970     | 1,018,500 |
| Caesars Entertainment Operating Co., Inc.,    |         |           |
| 10.00%, 12/15/18                              | 5,835   | 5,484,900 |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18   | EUR 81  | 116,248   |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)   | USD 530 | 552,525   |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)    | 1,860   | 1,994,850 |
| Enterprise Inns Plc, 6.50%, 12/06/18          | GBP 656 | 967,780   |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17 | USD 980 | 1,112,300 |
| Inn of the Mountain Gods Resort & Casino (b): |         |           |
| 1.25%, 11/30/20 (c)                           | 1,738   | 903,760   |
| 8.75%, 11/30/20                               | 772     | 733,400   |

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|   |       |           |
|---|-------|-----------|
| Little Traverse Bay Bands, 9.00%, 8/31/20 (b)                     | 561   | 462,825   |
| MGM Resorts International:  |       |           |
| 10.38%, 5/15/14   | 415   | 464,800   |
| 11.13%, 11/15/17  | 1,310 | 1,509,775 |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (b)           | 190   | 193,800   |
| Travelport LLC:   |       |           |
| 4.94%, 9/01/14 (g)  | 195   | 174,037   |
| 9.88%, 9/01/14  | 285   | 278,231   |
| 9.00%, 3/01/16  | 190   | 179,550   |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(i) | 515   | 52        |

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16,147,333

**Household Durables 4.1%**

|  |           |           |
|--|-----------|-----------|
| American Standard Americas, 10.75%, 1/15/16 (b)  | 630       | 669,375   |
| Ashton Woods USA LLC, 21.57%, 6/30/15 (b)(h)     | 1,360     | 884,000   |
| Beazer Homes USA, Inc.:                          |           |           |
| 8.13%, 6/15/16                                   | 495       | 503,044   |
| 12.00%, 10/15/17                                 | 2,080     | 2,418,000 |
| 9.13%, 6/15/18                                   | 3,240     | 3,345,300 |
| Jarden Corp., 7.50%, 1/15/20                     | EUR 455   | 654,566   |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | USD 2,730 | 2,958,637 |
| Ryland Group, Inc., 6.63%, 5/01/20               | 1,045     | 1,024,100 |
| Standard Pacific Corp.:                          |           |           |
| 10.75%, 9/15/16                                  | 2,355     | 2,767,125 |
| 8.38%, 5/15/18                                   | 680       | 720,800   |
| 8.38%, 5/15/18 (b)                               | 745       | 789,700   |
| 8.38%, 1/15/21 (b)                               | 1,210     | 1,276,550 |

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18,011,197

**IT Services 1.8%**

|                                 |       |           |
|---------------------------------|-------|-----------|
| First Data Corp. (b):           |       |           |
| 8.88%, 8/15/20                  | 1,980 | 2,168,100 |
| 8.25%, 1/15/21                  | 2,721 | 2,707,395 |
| 12.63%, 1/15/21                 | 1,115 | 1,167,962 |
| SunGard Data Systems, Inc. (b): |       |           |
| 7.38%, 11/15/18                 | 740   | 764,050   |
| 7.63%, 11/15/20                 | 930   | 960,225   |

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7,767,732

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Corporate Bonds   |     | Par<br>(000) | Value             |
|---|-----|--------------|-------------------|
| <b>Independent Power Producers &amp; Energy Traders 3.2%</b>    |     |              |                   |
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (b)      | USD | 2,010        | \$ 2,180,850      |
| Calpine Corp. (b):  |     |              |                   |
| 7.50%, 2/15/21  |     | 730          | 746,425           |
| 7.88%, 1/15/23  |     | 995          | 1,022,363         |
| Energy Future Holdings Corp., 10.25%, 1/15/20 (b)               |     | 5,200        | 5,415,030         |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 |     | 271          | 282,884           |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                            |     | 4,245        | 4,420,106         |
|   |     |              | <u>14,067,658</u> |
| <b>Industrial Conglomerates 2.5%</b>                            |     |              |                   |
| Sequa Corp. (b):  |     |              |                   |
| 11.75%, 12/01/15  |     | 3,810        | 4,133,850         |
| 13.50%, 12/01/15 (c)  |     | 6,236        | 6,906,494         |
|   |     |              | <u>11,040,344</u> |
| <b>Insurance 1.0%</b>   |     |              |                   |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b)                   |     | 2,600        | 2,749,500         |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)                   |     | 530          | 564,450           |
| USI Holdings Corp., 4.16%, 11/15/14 (b)(g)                      |     | 1,070        | 1,032,550         |
|   |     |              | <u>4,346,500</u>  |
| <b>Machinery 1.7%</b>   |     |              |                   |
| AGY Holding Corp., 11.00%, 11/15/14                             |     | 1,650        | 1,468,500         |
| Navistar International Corp.:                                   |     |              |                   |
| 3.00%, 10/15/14 (d)   |     | 2,840        | 3,968,900         |
| 8.25%, 11/01/21   |     | 940          | 1,041,050         |
| Oshkosh Corp., 8.25%, 3/01/17                                   |     | 160          | 177,600           |
| Titan International, Inc., 7.88%, 10/01/17 (b)                  |     | 720          | 770,400           |
|   |     |              | <u>7,426,450</u>  |
| <b>Marine 0.7%</b>  |     |              |                   |
| Horizon Lines, Inc., 4.25%, 8/15/12 (d)                         |     | 3,340        | 3,097,850         |
| <b>Media 12.8%</b>  |     |              |                   |
| AMC Entertainment Holdings, Inc., 9.75%,<br>12/01/20 (b)        |     | 795          | 852,637           |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                       |     | 885          | 847,388           |
| CCH II LLC, 13.50%, 11/30/16                                    |     | 876          | 1,061,523         |
| CCO Holdings LLC:   |     |              |                   |
| 7.88%, 4/30/18  |     | 730          | 779,275           |

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|   |       |           |
|---|-------|-----------|
| 8.13%, 4/30/20  | 730   | 787,488   |
| CMP Susquehanna Corp., 3.44%, 5/15/14                       | 254   | 179,050   |
| CSC Holdings, Inc., 8.50%, 4/15/14                          | 550   | 616,000   |
| Catalina Marketing Corp., 10.50%, 10/01/15 (b)(c)           | 935   | 1,012,137 |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | 2,275 | 2,360,312 |
| Checkout Holding Corp., 10.98%, 11/15/15 (b)                | 1,360 | 877,200   |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)             | 400   | 429,000   |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 (b)   | 390   | 396,338   |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17  | 2,368 | 2,628,480 |
| Series B, 9.25%, 12/15/17                                   | 8,711 | 9,690,987 |
| Cox Enterprises, Inc.:                                      |       |           |
| Loan Close 2, 4.00%, 8/15/18                                | 1,019 | 1,018,664 |
| Loan Close 3, 12.00%, 8/15/18                               | 1,165 | 1,164,625 |
| Shares Loan, 4.00%, 8/15/18                                 | 1,203 | 1,203,139 |
| DISH DBS Corp., 7.00%, 10/01/13                             | 150   | 161,250   |
| Gray Television, Inc., 10.50%, 6/29/15                      | 1,425 | 1,514,062 |
| Harland Clarke Holdings Corp.:                              |       |           |
| 6.00%, 5/15/15 (g)  | 550   | 493,625   |
| 9.50%, 5/15/15  | 660   | 648,450   |
| Interactive Data Corp., 10.25%, 8/01/18 (b)                 | 1,600 | 1,792,000 |
| Liberty Global, Inc., 4.50%, 11/15/16 (d)                   | 580   | 1,004,850 |

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Media (concluded)</b>                               |     |              |              |
| Liberty Media Corp., 3.13%, 3/30/23 (d)                | USD | 1,748        | \$ 2,154,410 |
| Live Nation Entertainment, Inc., 8.13%,<br>5/15/18 (b) |     | 1,280        | 1,318,400    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b) |     | 845          | 908,375      |
| Nielsen Finance LLC:                                   |     |              |              |
| 11.63%, 2/01/14  |     | 147          | 172,725      |
| 7.75%, 10/15/18 (b)                                    |     | 3,425        | 3,703,281    |
| ProQuest LLC, 9.00%, 10/15/18 (b)                      |     | 775          | 802,125      |
| Rainbow National Services LLC, 10.38%,<br>9/01/14 (b)  |     | 2,570        | 2,676,012    |
| Regal Entertainment Group, 9.13%, 8/15/18              |     | 610          | 652,700      |
| UPC Germany GmbH (b):                                  |     |              |              |
| 8.13%, 12/01/17  |     | 985          | 1,056,412    |
| 8.13%, 12/01/17  | EUR | 701          | \$ 1,041,111 |
| 9.63%, 12/01/19  |     | 900          | 1,411,179    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                     | USD | 800          | 888,000      |
| UPCB Finance II Ltd., 6.38%, 7/01/20                   | EUR | 1,273        | 1,734,679    |
| Unitymedia GmbH, 9.63%, 12/01/19                       |     | 244          | 382,586      |
| Unitymedia Hessen GmbH & Co. KG, 8.13%,<br>12/01/17    |     | 120          | 178,222      |
| Univision Communications, Inc., 7.88%,<br>11/01/20 (b) | USD | 715          | 766,838      |
| Virgin Media Secured Finance Plc, 7.00%,<br>1/15/18    | GBP | 910          | 1,593,987    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                  | EUR | 610          | 902,803      |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                  |     | 1,240        | 1,749,648    |
|  |     |              | 55,611,973   |

Metals & Mining 4.3%

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|   |     |       |            |
|---|-----|-------|------------|
| Drummond Co., Inc.:   |     |       |            |
| 9.00%, 10/15/14 (b)   | USD | 905   | 966,088    |
| 7.38%, 2/15/16  |     | 360   | 372,600    |
| FMG Resources August 2006 Property Ltd., 7.00%,<br>11/01/15 (b) |     | 2,385 | 2,474,437  |
| Foundation PA Coal Co., 7.25%, 8/01/14                          |     | 3,250 | 3,315,000  |
| Goldcorp, Inc., 2.00%, 8/01/14 (d)                              |     | 930   | 1,170,637  |
| New World Resources NV, 7.88%, 5/01/18                          | EUR | 1,055 | 1,565,044  |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (d)           | USD | 665   | 886,944    |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              |     | 5,470 | 6,030,675  |
| Ryerson, Inc.:  |     |       |            |
| 7.68%, 11/01/14 (g)   |     | 640   | 614,400    |
| 12.00%, 11/01/15  |     | 450   | 483,750    |
| Steel Dynamics, Inc., 7.38%, 11/01/12                           |     | 325   | 345,313    |
| Vedanta Resources Plc, 9.50%, 7/18/18 (b)                       |     | 325   | 358,313    |
|   |     |       | 18,583,201 |

**Multiline Retail 1.8%**

|   |  |       |           |
|---|--|-------|-----------|
| Dollar General Corp., 11.88%, 7/15/17 (c) |  | 6,753 | 7,808,156 |
|---|--|-------|-----------|

**Oil, Gas & Consumable Fuels 7.5%**

|   |  |       |           |
|---|--|-------|-----------|
| Arch Coal, Inc., 7.25%, 10/01/20              |  | 1,335 | 1,418,437 |
| Berry Petroleum Co., 8.25%, 11/01/16          |  | 800   | 845,000   |
| Bill Barrett Corp., 9.88%, 7/15/16            |  | 70    | 78,400    |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)  |  | 355   | 377,188   |
| Chaparral Energy, Inc., 8.25%, 9/01/21 (b)    |  | 390   | 396,825   |
| Chesapeake Energy Corp.:                      |  |       |           |
| 6.63%, 8/15/20                                |  | 2,460 | 2,583,000 |
| 6.13%, 2/15/21                                |  | 1,475 | 1,504,500 |
| 2.25%, 12/15/38 (d)                           |  | 1,250 | 1,143,750 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b) |  | 414   | 451,260   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Corporate Bonds                                    |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b> |     |              |            |
| Concho Resources, Inc., 7.00%, 1/15/21             | USD | 635          | \$ 665,163 |
| Connacher Oil and Gas Ltd. (b):                    |     |              |            |
| 11.75%, 7/15/14                                    |     | 280          | 303,100    |
| 10.25%, 12/15/15                                   |     | 1,755        | 1,855,912  |
| Consol Energy, Inc., 8.25%, 4/01/20                |     | 3,095        | 3,412,237  |
| Continental Resources, Inc., 7.13%, 4/01/21 (b)    |     | 575          | 612,375    |
| Crosstex Energy LP, 8.88%, 2/15/18                 |     | 280          | 308,700    |
| Denbury Resources Inc.:                            |     |              |            |
| 6.38%, 8/15/21                                     |     | 540          | 545,400    |
| 8.25%, 2/15/20                                     |     | 1,095        | 1,218,188  |
| Energy Transfer Equity LP, 7.50%, 10/15/20         |     | 210          | 227,588    |
| Energy XXI Gulf Coast, Inc. (b):                   |     |              |            |
| 9.25%, 12/15/17                                    |     | 660          | 709,500    |
| 7.75%, 6/15/19                                     |     | 820          | 828,200    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)            |     | 1,200        | 1,266,000  |
| Linn Energy LLC (b):                               |     |              |            |
| 8.63%, 4/15/20                                     |     | 1,715        | 1,912,225  |
| 7.75%, 2/01/21                                     |     | 920          | 977,500    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20       |     | 405          | 415,125    |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)       |     | 2,930        | 3,193,700  |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)          |     | 355          | 360,325    |
| Peabody Energy Corp., 6.50%, 9/15/20               |     | 805          | 861,350    |
| Petrohawk Energy Corp.:                            |     |              |            |
| 10.50%, 8/01/14                                    |     | 595          | 684,250    |
| 7.88%, 6/01/15                                     |     | 680          | 720,800    |
| Range Resources Corp., 8.00%, 5/15/19              |     | 700          | 770,875    |
| SM Energy Co., 6.63%, 2/15/19 (b)                  |     | 445          | 450,006    |
| Teekay Corp., 8.50%, 1/15/20                       |     | 1,020        | 1,097,775  |
| United Refining Co., 10.50%, 2/28/18 (b)(f)        |     | 375          | 371,250    |
|  |     |              | 32,565,904 |
| <b>Paper &amp; Forest Products 3.1%</b>            |     |              |            |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(c)  |     | 1,835        | 1,862,044  |
| Boise Paper Holdings LLC:                          |     |              |            |
| 9.00%, 11/01/17                                    |     | 525          | 585,375    |
| 8.00%, 4/01/20                                     |     | 240          | 264,600    |
| Clearwater Paper Corp.:                            |     |              |            |
| 10.63%, 6/15/16                                    |     | 625          | 714,063    |
| 7.13%, 11/01/18 (b)                                |     | 885          | 918,188    |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b)            |     | 2,570        | 2,897,675  |
| NewPage Corp., 11.38%, 12/31/14                    |     | 4,335        | 4,324,162  |
| Verso Paper Holdings LLC:                          |     |              |            |
| 11.50%, 7/01/14                                    |     | 1,335        | 1,471,837  |
| 8.75%, 2/01/19 (b)                                 |     | 360          | 376,200    |
|  |     |              | 13,414,144 |

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**Pharmaceuticals 0.9%**

|   |     |       |           |
|---|-----|-------|-----------|
| Angiotech Pharmaceuticals, Inc., 4.06%,<br>12/01/13 (g) |     | 1,441 | 1,210,440 |
| Grifols, Inc., 8.25%, 2/01/18 (b)                       |     | 205   | 210,638   |
| Novasep Holding SAS, 9.63%, 12/15/16 (b)                | EUR | 822   | 918,803   |
| Valeant Pharmaceuticals International (b):              |     |       |           |
| 6.75%, 10/01/17   | USD | 590   | 610,650   |
| 7.00%, 10/01/20   |     | 750   | 775,312   |
|   |     |       | <hr/>     |
|   |     |       | 3,725,843 |

**Professional Services 0.3%**

|   |  |       |           |
|---|--|-------|-----------|
| FTI Consulting, Inc., 6.75%, 10/01/20 (b) |  | 1,450 | 1,450,000 |
|---|--|-------|-----------|

**Real Estate Investment Trusts (REITs) 0.4%**

|  |  |     |           |
|--|--|-----|-----------|
| Omega Healthcare Investors, Inc., 6.75%,<br>10/15/22 (b) |  | 830 | 838,300   |
| The Rouse Co. LP, 6.75%, 11/09/15                        |  | 805 | 843,238   |
|  |  |     | <hr/>     |
|  |  |     | 1,681,538 |

| Corporate Bonds                                      |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Real Estate Management &amp; Development 1.9%</b> |     |              |            |
| CB Richard Ellis Services Inc., 6.63%, 10/15/20      | USD | 520          | \$ 536,250 |
| Forest City Enterprises, Inc., 7.63%, 6/01/15        |     | 2,300        | 2,231,000  |
| Realogy Corp. (b):                                   |     |              |            |
| 11.50%, 4/15/17                                      |     | 1,230        | 1,309,950  |
| 7.88%, 2/15/19                                       |     | 4,070        | 4,085,262  |
|  |     |              | <hr/>      |
|  |     |              | 8,162,462  |

**Road & Rail 2.1%**

|   |     |       |           |
|---|-----|-------|-----------|
| Avis Budget Car Rental LLC:                             |     |       |           |
| 9.63%, 3/15/18  |     | 800   | 894,000   |
| 8.25%, 1/15/19  |     | 1,205 | 1,278,806 |
| Florida East Coast Railway Corp., 8.13%,<br>2/01/17 (b) |     | 650   | 679,250   |
| The Hertz Corp. (b):                                    |     |       |           |
| 7.50%, 10/15/18   |     | 1,005 | 1,064,044 |
| 6.75%, 4/15/19  |     | 695   | 708,900   |
| 7.38%, 1/15/21  |     | 765   | 799,425   |
| Hertz Holdings Netherlands BV, 8.50%, 7/31/15 (b)       | EUR | 2,080 | 3,121,464 |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)        | USD | 550   | 570,625   |
|   |     |       | <hr/>     |
|   |     |       | 9,116,514 |

**Semiconductors & Semiconductor**

**Equipment 0.1%**

|                                   |  |     |         |
|-----------------------------------|--|-----|---------|
| Spancion LLC, 7.88%, 11/15/17 (b) |  | 430 | 438,600 |
|-----------------------------------|--|-----|---------|

**Specialty Retail 1.6%**

|  |  |     |         |
|--|--|-----|---------|
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 (b) |  | 515 | 540,750 |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(f)       |  | 500 | 501,875 |
| Hillman Group, Inc., 10.88%, 6/01/18               |  | 830 | 913,000 |



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|  |       |           |
|--|-------|-----------|
| Limited Brands, Inc., 8.50%, 6/15/19             | 1,255 | 1,436,975 |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b) | 705   | 761,400   |
| Sonic Automotive, Inc., 9.00%, 3/15/18           | 580   | 620,600   |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b)     | 660   | 695,475   |
| United Auto Group, Inc., 7.75%, 12/15/16         | 1,670 | 1,724,275 |
|  |       | 7,194,350 |

**Transportation Infrastructure 0.2%**

|                                 |     |         |
|---------------------------------|-----|---------|
| Aguila 3 SA, 7.88%, 1/31/18 (b) | 665 | 689,938 |
|---------------------------------|-----|---------|

**Wireless Telecommunication Services 4.4%**

|   |       |            |
|---|-------|------------|
| Clearwire Communications LLC (b):                 |       |            |
| 12.00%, 12/01/15                                  | 750   | 817,500    |
| 12.00%, 12/01/17                                  | 1,760 | 1,900,800  |
| Cricket Communications, Inc.:                     |       |            |
| 10.00%, 7/15/15                                   | 1,155 | 1,273,387  |
| 7.75%, 5/15/16                                    | 1,080 | 1,142,100  |
| Digicel Group Ltd. (b):                           |       |            |
| 8.88%, 1/15/15                                    | 1,120 | 1,164,800  |
| 9.13%, 1/15/15                                    | 2,864 | 2,982,856  |
| 8.25%, 9/01/17                                    | 1,720 | 1,797,400  |
| 10.50%, 4/15/18                                   | 800   | 912,000    |
| FiberTower Corp., 9.00%, 1/01/16 (c)              | 503   | 430,336    |
| iPCS, Inc., 2.43%, 5/01/13 (g)                    | 1,295 | 1,278,812  |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b) | 525   | 539,438    |
| MetroPCS Wireless, Inc.:                          |       |            |
| 7.88%, 9/01/18                                    | 810   | 855,563    |
| 6.63%, 11/15/20 (b)                               | 1,190 | 1,158,763  |
| NII Holdings, Inc., 3.13%, 6/15/12 (d)            | 570   | 567,150    |
| Sprint Capital Corp., 6.88%, 11/15/28             | 2,370 | 2,135,962  |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)      | 390   | 421,200    |
|   |       | 19,378,067 |

**Total Corporate Bonds 102.5%**

446,924,513

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Floating Rate Loan Interests (g)  |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Building Products 0.3%</b>   |     |              |              |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/13/17                         | USD | 1,200        | \$ 1,236,750 |
| <b>Capital Markets 0.1%</b>   |     |              |              |
| Marsico Parent Co., LLC, Term Loan, 5.31%,<br>12/15/14                                    |     | 755          | 613,494      |
| <b>Chemicals 0.3%</b>   |     |              |              |
| PQ Corp. (FKA Niagara Acquisition, Inc.),<br>Term Loan (First Lien), 3.52% 3.56%, 7/30/14 |     | 419          | 412,462      |
| Styron Sarl, Term Loan B, 6.00%, 7/27/17  |     | 1,000        | 1,009,000    |
|   |     |              | 1,421,462    |
| <b>Commercial Services &amp; Supplies 0.8%</b>  |     |              |              |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>7.75%, 6/10/16                              |     | 845          | 867,709      |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16   |     | 975          | 983,357      |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% 10.75%, 8/24/16       |     | 1,596        | 1,611,290    |
|   |     |              | 3,462,356    |
| <b>Construction &amp; Engineering 0.7%</b>  |     |              |              |
| Safway Services, LLC, Last Out Term Loan, 15.63%,<br>12/14/17                             |     | 3,250        | 3,250,000    |
| <b>Consumer Finance 1.5%</b>  |     |              |              |
| Springleaf Financial Funding Co. (FKA AGFS<br>Funding Co.), Term Loan, 7.25%, 4/21/15     |     | 6,500        | 6,557,850    |
| <b>Electric Utilities 0.1%</b>  |     |              |              |
| New Development Holdings LLC, Term Loan, 7.00%,<br>7/03/17                                |     | 233          | 235,226      |
| <b>Food Products 0.3%</b>   |     |              |              |
| Advance Pierre Foods, Term Loan, 11.25%, 9/29/17  |     | 1,300        | 1,332,500    |
| <b>Health Care Providers &amp; Services 0.7%</b>  |     |              |              |
| Harden Healthcare, Inc.:  |     |              |              |
| Tranche A Additional Term Loan, 7.75%,<br>3/02/15   |     | 855          | 837,900      |
| Tranche A Term Loan, 8.50%, 2/22/15   |     | 630          | 617,556      |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.),<br>Term Loan B, 6.50%, 7/31/16          |     | 1,393        | 1,399,094    |

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|   |  |     |  |                  |              |
|---|--|-----|--|------------------|--------------|
|   |  |     |  |                  | 2,854,550    |
| <b>Hotels, Restaurants &amp; Leisure 0.8%</b>   |  |     |  |                  |              |
| Harrah's Operating Co., Inc., Term Loan B-3, 3.30%, 1/28/15   |  |     |  |                  |              |
|   |  |     |  | 675              | 626,719      |
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.31%, 3/27/12 (c)   |  |     |  |                  |              |
|   |  |     |  | 3,240            | 2,891,365    |
|   |  |     |  |                  | 3,518,084    |
| <b>Household Durables 0.7%</b>  |  |     |  |                  |              |
| Visant Corp. (FKA Jostens):   |  |     |  |                  |              |
| Term Loan, 5.25%, 12/22/16  |  |     |  |                  |              |
|   |  |     |  | 1,500            | 1,500,000    |
| Tranche B Term Loan, 7.00%, 12/20/16  |  |     |  |                  |              |
|   |  |     |  | 1,596            | 1,610,284    |
|   |  |     |  |                  | 3,110,284    |
| <b>IT Services 0.5%</b>   |  |     |  |                  |              |
| First Data Corp.:   |  |     |  |                  |              |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14   |  |     |  |                  |              |
|   |  |     |  | 254              | 240,882      |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14   |  |     |  |                  |              |
|   |  |     |  | 642              | 607,816      |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14   |  |     |  |                  |              |
|   |  |     |  | 1,162            | 1,099,950    |
|   |  |     |  |                  | 1,948,648    |
| <b>Floating Rate Loan Interests (g)</b>   |  |     |  |                  |              |
|   |  |     |  | <b>Par (000)</b> | <b>Value</b> |
| <b>Independent Power Producers &amp; Energy Traders 1.0%</b>  |  |     |  |                  |              |
| Texas Competitive Electric Holdings Co., LLC (TXU):   |  |     |  |                  |              |
| Initial Tranche B-1 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |  |                  |              |
|   |  | USD |  | 340              | \$ 286,810   |
| Initial Tranche B-2 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |  |                  |              |
|   |  |     |  | 214              | 179,959      |
| Initial Tranche B-3 Term Loan, 3.76% 3.80%, 10/10/14  |  |     |  |                  |              |
|   |  |     |  | 4,518            | 3,798,760    |
|   |  |     |  |                  | 4,265,529    |
| <b>Media 4.1%</b>   |  |     |  |                  |              |
| Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 |  |     |  |                  |              |
|   |  |     |  | 2,681            | 2,693,316    |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 6.01%, 6/12/14   |  |     |  |                  |              |
|   |  |     |  | 1,444            | 1,371,497    |
| Intelsat Jackson Holdings Ltd., Term Loan B, 5.25%, 3/07/18   |  |     |  |                  |              |
|   |  |     |  | 11,300           | 11,375,925   |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13   |  |     |  |                  |              |
|   |  |     |  | 2,450            | 2,604,656    |
|   |  |     |  |                  | 18,045,394   |
| <b>Metals &amp; Mining 0.1%</b>   |  |     |  |                  |              |
| Euramax International, Inc., Domestic Term Loan: 10.00%, 6/29/13  |  |     |  |                  |              |
|   |  |     |  | 271              | 261,243      |

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|   |     |       |            |
|---|-----|-------|------------|
| 14.00%, 6/29/13   |     | 261   | 250,781    |
|   |     |       | 512,024    |
| <b>Multiline Retail 0.5%</b>                                      |     |       |            |
| Hema Holding BV, Mezzanine, 4.41% 5.00%,<br>1/29/17 (c)           | EUR | 1,605 | 2,170,783  |
| <b>Oil, Gas &amp; Consumable Fuels 1.2%</b>                       |     |       |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/30/15         | USD | 3,621 | 3,711,485  |
| Turbo Beta Ltd., Dollar Facility, 2.50% 12.00%,<br>3/15/18 (c)    |     | 3,848 | 1,577,620  |
|   |     |       | 5,289,105  |
| <b>Paper &amp; Forest Products 0.4%</b>                           |     |       |            |
| Verso Paper Finance Holdings LLC, 6.55% 7.30%,<br>2/01/13         |     | 2,089 | 1,880,289  |
| <b>Pharmaceuticals 0.2%</b>                                       |     |       |            |
| Axcan Pharma, Inc., Term Loan, 5.50%, 2/03/17                     |     | 1,000 | 1,002,500  |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>                 |     |       |            |
| iStar Financial, Inc., Term Loan (Second Lien),<br>1.76%, 6/28/11 |     | 350   | 345,187    |
| <b>Real Estate Management &amp; Development 0.3%</b>              |     |       |            |
| Realogy Corp.:  |     |       |            |
| Term Loan B, 4.56% 6.50%, 10/16/16                                |     | 1,173 | 1,124,943  |
| Term Loan C, 4.51%, 10/16/16                                      |     | 199   | 190,798    |
|   |     |       | 1,315,741  |
| <b>Specialty Retail 0.2%</b>                                      |     |       |            |
| Claire's Stores, Inc., Term Loan B, 3.01% 5.00%,<br>5/29/14       |     | 235   | 228,654    |
| Michaels Stores, Inc., Term Loan B-1, 2.56% 2.63%,<br>10/31/13    |     | 516   | 514,754    |
|   |     |       | 743,408    |
| <b>Total Floating Rate Loan Interests 14.9%</b>                   |     |       | 65,111,164 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

| Other Interests (j)  | Beneficial<br>Interest<br>(000) | Value           |
|--|---------------------------------|-----------------|
| <b>Auto Components 2.2%</b>  |                                 |                 |
| Delphi Debtor-in-Possession Holding Co. LLP,<br>Class B Membership Interests | USD                             | (k)\$ 9,614,334 |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                |                                 |                 |
| Buffets, Inc.  | 950                             | 10              |
| <b>Media 0.0%</b>  |                                 |                 |
| Adelphia Escrow  | 1,300                           | 13              |
| Adelphia Recovery Trust  | 1,630                           | 163             |
|  |                                 | 176             |
| <b>Total Other Interests 2.2%</b>  |                                 | 9,614,520       |

| Preferred Stocks                                      | Shares  |           |
|---|---------|-----------|
| <b>Auto Components 0.1%</b>                           |         |           |
| Dana Holding Corp., 4.00% (a)(b)(d)                   | 3,000   | 492,375   |
| <b>Automobiles 0.8%</b>                               |         |           |
| General Motors Co., 4.75% (a)                         | 71,550  | 3,640,464 |
| <b>Media 0.0%</b>                                     |         |           |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b) | 59,235  | 1         |
| <b>Professional Services 0.1%</b>                     |         |           |
| Nielsen Holdings NV, 6.25% (a)(d)                     | 6,917   | 381,732   |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>            |         |           |
| Fannie Mae, Series O, 0.00% (a)                       | 40,000  | 128,000   |
| Freddie Mac, Series Z, 8.38% (a)                      | 110,157 | 213,704   |
|   |         | 341,704   |
| <b>Total Preferred Stocks 1.1%</b>                    |         | 4,856,276 |

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Warrants (l)

|   |        |                    |
|---|--------|--------------------|
| <b>Health Care Providers &amp; Services 0.0%</b>              |        |                    |
| HealthSouth Corp. (Expires 1/16/14)                           | 54,577 | 1                  |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                 |        |                    |
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14)          | 802    | 8                  |
| <b>Media 0.0%</b>   |        |                    |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (b) | 67,691 | 1                  |
| New Vision Holdings LLC (Expires 9/14/30)                     | 4      | 40                 |
| New Vision Holdings LLC (Expires 9/14/30)                     | 22     | 222                |
|   |        | <u>263</u>         |
| <b>Oil, Gas &amp; Consumable Fuels 0.0%</b>                   |        |                    |
| Turbo Cayman Ltd. (No Expiration)                             | 2      |                    |
| <b>Software 0.0%</b>  |        |                    |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)    | 525    | 5                  |
| HMH Holdings/EduMedia (Expires 3/09/17)                       | 22,578 |                    |
|   |        | <u>5</u>           |
| <b>Total Warrants 0.0%</b>                                    |        | <u>277</u>         |
| <b>Total Long-Term Investments</b>                            |        | <u>551,671,756</u> |
| <b>(Cost \$526,146,168) 126.5%</b>                            |        |                    |

| Short-Term Securities   | Shares    | Value                 |
|---|-----------|-----------------------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (m)(n) | 1,225,083 | \$ 1,225,083          |
| <b>Total Short-Term Securities</b>  |           | <u>1,225,083</u>      |
| <b>(Cost \$1,225,083) 0.3%</b>  |           |                       |
| <b>Total Investments (Cost \$527,371,251*) 126.8%</b>                     |           | <u>552,896,839</u>    |
| <b>Liabilities in Excess of Other Assets (26.8)%</b>                      |           | <u>(116,864,147)</u>  |
| <b>Net Assets 100.0%</b>  |           | <u>\$ 436,032,692</u> |

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

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|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 528,710,124 |
| Gross unrealized appreciation | \$ 41,588,921  |
| Gross unrealized depreciation | (17,402,206)   |
| Net unrealized appreciation   | \$ 24,186,715  |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Convertible security.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------------|------------|--|
| Banc of America NA          | \$ 208,587 | \$ 3,587                                     |
| Credit Suisse International | \$ 873,125 | \$ 11,460                                    |
| Sterne Agee                 | \$ 86,488  | \$ (212)                                     |

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

| Affiliate | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|-----------|--------------------------------------|-----------------|--|----------|
|           | 1,808,758                            | (583,675)       | 1,225,083                              | \$ 2,129 |

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BlackRock Liquidity  
Funds, TempFund,  
Institutional Class

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(n) Represents the current yield as of report date.

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## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund VI, Inc. (HYT)

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

| Contracts | Issue          | Exchange           | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------|--------------------|------------|----------------|-------------------------|
| 168       | E-Mini S&P 500 | Chicago Mercantile | March 2011 | \$ 10,668,127  | \$ (471,113)            |

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

| Issuer                         | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--------------------------------|----------------|-----------------------------|-----------------|-----------------------|-------------------------|
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs International | 12/20/11        | \$ 805                | \$ (36,709)             |
| K. Hovnanian Enterprises, Inc. | 5.00%          | Goldman Sachs Bank USA      | 12/20/13        | \$ 1,600              | (136,099)               |
| Louisiana-Pacific Corp.        | 5.00%          | JPMorgan Chase Bank NA      | 3/20/14         | \$ 500                | (114,192)               |
| Harrah's Operating Co., Inc.   | 5.00%          | Deutsche Bank AG            | 12/20/15        | \$ 2,025              | (282,511)               |
| Republic of Hungary            | 1.00%          | Deutsche Bank AG            | 12/20/15        | \$ 470                | (8,521)                 |
| Israel (State of)              | 1.00%          | Deutsche Bank AG            | 3/20/16         | \$ 1,050              | (4,036)                 |
| iStar Financial, Inc.          | 5.00%          | Deutsche Bank AG            | 12/20/16        | \$ 375                | (74,441)                |
| <b>Total</b>                   |                |                             |                 |                       | <b>\$ (656,509)</b>     |

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

| Issuer | Received Fixed Rate | Counterparty | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|--------|---------------------|--------------|-----------------|-----------------------------------|------------------------------------|--|
|--------|---------------------|--------------|-----------------|-----------------------------------|------------------------------------|--|

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|   |       |                             |          |     |          |                   |
|---|-------|-----------------------------|----------|-----|----------|-------------------|
| iStar Financial, Inc.                       | 5.00% | Deutsche Bank AG            | 9/20/11  | CCC | \$ 375   | \$ 40,123         |
| MBIA Insurance Corp.                        | 5.00% | Deutsche Bank AG            | 3/20/12  | B   | \$ 185   | 16,584            |
| Texas Competitive Electric Holdings Co. LLC | 5.00% | Goldman Sachs International | 9/20/12  | D   | \$ 775   | (78,240)          |
| MBIA Insurance Corp.                        | 5.00% | Deutsche Bank AG            | 12/20/12 | B   | \$ 1,100 | 118,890           |
| Advanced Micro Devices, Inc.                | 5.00% | JPMorgan Chase Bank NA      | 3/20/15  | B+  | \$ 1,150 | 139,889           |
| Realogy Corp.                               | 5.00% | JPMorgan Chase Bank NA      | 9/20/15  | CC  | \$ 200   | 30,606            |
| Assured Guaranty Ltd.                       | 5.00% | Deutsche Bank AG            | 12/20/15 | A+  | \$ 105   | 822               |
| D.R. Horton, Inc.                           | 1.00% | JPMorgan Chase Bank NA      | 12/20/15 | BB  | \$ 475   | 14,614            |
| M.D.C. Holdings, Inc.                       | 1.00% | Deutsche Bank AG            | 12/20/15 | BBB | \$ 535   | 5,133             |
| M.D.C. Holdings, Inc.                       | 1.00% | JPMorgan Chase Bank NA      | 12/20/15 | BBB | \$ 535   | 2,900             |
| Realogy Corp.                               | 5.00% | JPMorgan Chase Bank NA      | 12/20/15 | CC  | \$ 1,175 | 65,711            |
| ARAMARK Corp.                               | 5.00% | Goldman Sachs International | 3/20/16  | B   | \$ 750   | (1,360)           |
| Chesapeake Energy Corp.                     | 5.00% | Credit Suisse International | 3/20/16  | BB  | \$ 425   | 7,968             |
| Chesapeake Energy Corp.                     | 5.00% | Goldman Sachs International | 3/20/16  | BB  | \$ 425   | 4,727             |
| Chesapeake Energy Corp.                     | 5.00% | JPMorgan Chase Bank NA      | 3/20/16  | BB  | \$ 425   | 7,968             |
| Realogy Corp.                               | 5.00% | JPMorgan Chase Bank NA      | 3/20/16  | CC  | \$ 225   | 946               |
| General Motors Co.                          | 5.00% | Deutsche Bank AG            | 3/20/21  | BB  | \$ 600   | (1,503)           |
| <b>Total</b>                                |       |                             |          |     |          | <b>\$ 375,778</b> |

<sup>1</sup> Using Standard & Poor's rating.

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

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See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Corporate High Yield Fund VI, Inc. (HYT)

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

| Index  | Receive Fixed Rate | Counterparty                | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Depreciation |
|--|--------------------|-----------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index Series 10 | 0.00%              | Deutsche Bank AG            | 6/20/11         | CCC                        | \$ 1,119                           | \$ (8,622)              |
| Dow Jones CDX North America High Yield Index Series 9  | 0.00%              | Deutsche Bank AG            | 12/20/12        | CCC                        | \$ 822                             | (31,787)                |
| Dow Jones CDX North America High Yield Index Series 15 | 5.00%              | Credit Suisse International | 12/20/15        | B                          | \$ 3,100                           | (9,903)                 |
| <b>Total</b>   |                    |                             |                 |                            |                                    | <b>\$ (50,312)</b>      |

<sup>1</sup> Using Standard and Poor's rating.

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

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

| Currency Purchased |            | Currency Sold |            | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|----------------------------|-----------------|--|
| USD                | 551,681    | CAD           | 547,000    | Citibank NA                | 4/14/11         | \$ (10,781)                            |
| USD                | 1,345,739  | GBP           | 852,500    | Citibank NA                | 4/14/11         | (39,551)                               |
| USD                | 1,290,350  | GBP           | 803,000    | Deutsche Bank AG           | 4/14/11         | (14,503)                               |
| USD                | 87,706     | GBP           | 54,500     | Royal Bank of Scotland Plc | 4/14/11         | (855)                                  |
| USD                | 403,014    | GBP           | 251,000    | UBS AG                     | 4/14/11         | (4,854)                                |
| EUR                | 75,000     | USD           | 103,351    | Citibank NA                | 4/27/11         | 71                                     |
| USD                | 21,380,076 | EUR           | 15,623,000 | Citibank NA                | 4/27/11         | (163,422)                              |
| USD                | 802,198    | EUR           | 594,000    | Deutsche Bank AG           | 4/27/11         | (16,904)                               |
| USD                | 2,734,695  | EUR           | 1,997,000  | Royal Bank of Scotland Plc | 4/27/11         | (19,089)                               |
| <b>Total</b>       |            |               |            |                            |                 | <b>\$ (269,888)</b>                    |

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

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

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

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

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

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

| Valuation Inputs             | Level 1              | Level 2               | Level 3              | Total                 |
|------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                      |                       |                      |                       |
| Investments in Securities:   |                      |                       |                      |                       |
| Long-Term Investments:       |                      |                       |                      |                       |
| Common Stocks                | \$ 23,723,551        | \$ 734,890            | \$ 706,565           | \$ 25,165,006         |
| Corporate Bonds              |                      | 440,572,430           | 6,352,083            | 446,924,513           |
| Floating Rate Loan Interests |                      | 51,903,814            | 13,207,350           | 65,111,164            |
| Other Interests              | 163                  | 9,614,334             | 23                   | 9,614,520             |
| Preferred Stocks             | 3,854,168            | 1,002,107             | 1                    | 4,856,276             |
| Warrants                     |                      |                       | 277                  | 277                   |
| Short-Term Securities        | 1,225,083            |                       |                      | 1,225,083             |
| Unfunded Loan Commitments    |                      | 4,056                 |                      | 4,056                 |
| <b>Liabilities:</b>          |                      |                       |                      |                       |
| Unfunded loan commitments    |                      |                       | (19,704)             | (19,704)              |
| <b>Total</b>                 | <b>\$ 28,802,965</b> | <b>\$ 503,831,631</b> | <b>\$ 20,246,595</b> | <b>\$ 552,881,191</b> |

**Derivative Financial Instruments<sup>1</sup>**

| Valuation Inputs | Level 1 | Level 2    | Level 3 | Total      |
|------------------|---------|------------|---------|------------|
| <b>Assets:</b>   |         |            |         |            |
| Credit contracts |         | \$ 456,881 |         | \$ 456,881 |

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|                                     |    |           |    |             |
|-------------------------------------|----|-----------|----|-------------|
| Foreign currency exchange contracts |    | 71        |    | 71          |
| <b>Liabilities:</b>                 |    |           |    |             |
| Credit contracts                    |    | (787,924) |    | (787,924)   |
| Foreign currency exchange contracts |    | (269,959) |    | (269,959)   |
| Interest rate contracts             | \$ | (471,113) |    | (471,113)   |
| <b>Total</b>                        | \$ | (471,113) | \$ | (600,931)   |
|                                     |    |           | \$ | (1,072,044) |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock Corporate High Yield Fund VI, Inc. (HYT)

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

|  | Common<br>Stocks  | Corporate<br>Bonds  | Floating Rate<br>Loan<br>Interests | Other<br>Interests | Preferred<br>Stocks | Warrants      | Unfunded<br>Loan<br>Commitments<br>(Liabilities) | Total                |
|--|-------------------|---------------------|------------------------------------|--------------------|---------------------|---------------|--|----------------------|
| <b>Assets/Liabilities:</b>   |                   |                     |                                    |                    |                     |               |  |                      |
| Balance, as of August 31, 2010                                     | \$ 712,707        | \$ 4,851,224        | \$ 20,602,850                      | \$ 6,747           | \$ 1                | \$ 271        | \$ (36,123)                                      | \$ 26,137,677        |
| Accrued discounts/premiums   |                   | 218,405             | 174,322                            |                    |                     |               |  | 392,727              |
| Net realized gain (loss)   |                   |                     | 215,718                            |                    |                     |               |  | 215,718              |
| Net change in unrealized<br>appreciation/depreciation <sup>2</sup> | 83,133            | 11,795              | 1,066,366                          | (6,561)            |                     | (1)           | 16,419   | 1,171,151            |
| Purchases  |                   | 986,832             | 5,142,505                          |                    |                     | 7             |  | 6,129,344            |
| Sales  | (89,275)          |                     | (11,187,604)                       |                    |                     |               |  | (11,276,879)         |
| Transfers in <sup>3</sup>  |                   | 462,877             | 1,577,620                          | (163)              |                     |               |  | 2,040,334            |
| Transfers out <sup>3</sup>   |                   | (179,050)           | (4,384,427)                        |                    |                     |               |  | (4,563,477)          |
| <b>Balance as of February 28, 2011</b>                             | <b>\$ 706,565</b> | <b>\$ 6,352,083</b> | <b>\$ 13,207,350</b>               | <b>\$ 23</b>       | <b>\$ 1</b>         | <b>\$ 277</b> | <b>\$ (19,704)</b>                               | <b>\$ 20,246,595</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in the unrealized appreciation/depreciation on the securities still held on February 28, 2011 was \$779,345.

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

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Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock High Income Shares (HIS)**  
(Percentages shown are based on Net Assets)

| Common Stocks (a)  | Shares | Value     |
|--|--------|-----------|
| <b>Construction Materials 0.0%</b>                           |        |           |
| Nortek, Inc.   | 960    | \$ 42,720 |
| <b>Containers &amp; Packaging 0.4%</b>                       |        |           |
| Smurfit-Stone Container Corp.                                | 14,168 | 544,618   |
| <b>Independent Power Producers &amp; Energy Traders 0.4%</b> |        |           |
| NRG Energy, Inc.   | 25,000 | 499,750   |
| <b>Software 0.2%</b>   |        |           |
| Bankruptcy Management Solutions, Inc.                        | 251    | 877       |
| HMH Holdings/EduMedia  | 39,515 | 197,575   |
|  |        | 198,452   |
| <b>Wireless Telecommunication Services 0.1%</b>              |        |           |
| FiberTower Corp.   | 38,271 | 127,060   |
| <b>Total Common Stocks 1.1%</b>                              |        | 1,412,600 |

| Corporate Bonds  | Par<br>(000) | Value   |
|--|--------------|---------|
| <b>Aerospace &amp; Defense 0.3%</b>                        |              |         |
| DynCorp International, Inc., 10.38%, 7/01/17 (b)           | USD 120      | 129,000 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 210          | 236,775 |
|  |              | 365,775 |
| <b>Air Freight &amp; Logistics 0.5%</b>                    |              |         |
| National Air Cargo Group, Inc.:                            |              |         |
| Series 1, 12.38%, 9/02/15                                  | 334          | 333,958 |
| Series 2, 12.38%, 10/08/15                                 | 337          | 337,167 |
|  |              | 671,125 |
| <b>Airlines 2.4%</b>                                       |              |         |
| Air Canada, 9.25%, 8/01/15 (b)                             | 490          | 524,300 |
| American Airlines, Inc., 10.50%, 10/15/12                  | 440          | 482,900 |
| American Airlines, Inc. Series 2001-2, 7.86%, 4/01/13      | 160          | 165,200 |
| Continental Airlines, Inc.:                                |              |         |
| 6.75%, 9/15/15 (b)   | 270          | 277,425 |



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|  |     |           |
|--|-----|-----------|
| Series 2010-1-B, 6.00%, 7/12/20                  | 200 | 199,500   |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16 | 473 | 511,318   |
| United Air Lines, Inc., 12.75%, 7/15/12          | 835 | 932,853   |
|  |     | 3,093,496 |

**Auto Components 1.8%**

|  |       |           |
|--|-------|-----------|
| Allison Transmission, Inc. (b):                              |       |           |
| 11.00%, 11/01/15   | 100   | 108,750   |
| 11.25%, 11/01/15 (c)   | 83    | 90,470    |
| Delphi International Holdings Unsecured, 12.00%,<br>10/06/14 | 4     | 4,264     |
| Exide Technologies, 8.63%, 2/01/18 (b)                       | 170   | 181,263   |
| Icahn Enterprises LP, 8.00%, 1/15/18                         | 1,510 | 1,562,850 |
| Stanadyne Corp., Series 1, 10.00%, 8/15/14                   | 335   | 346,725   |
|  |       | 2,294,322 |

**Beverages 0.2%**

|  |         |         |
|--|---------|---------|
| Cott Beverages, Inc., 8.13%, 9/01/18           | 125     | 134,531 |
| Crown European Holdings SA, 7.13%, 8/15/18 (b) | EUR 115 | 169,010 |
|  |         | 303,541 |

**Biotechnology 0.2%**

|                                 |         |         |
|---------------------------------|---------|---------|
| QHP Pharma, 10.25%, 3/15/15 (b) | USD 225 | 226,477 |
|---------------------------------|---------|---------|

**Corporate Bonds**

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Building Products 1.2%</b>                 |              |            |
| Associated Materials LLC, 9.13%, 11/01/17 (b) | USD 220      | \$ 237,875 |
| Building Materials Corp. of America (b):      |              |            |
| 6.88%, 8/15/18                                | 245          | 251,125    |
| 7.00%, 2/15/20                                | 290          | 305,588    |
| Momentive Performance Materials, Inc.:        |              |            |
| 11.50%, 12/01/16                              | 80           | 86,800     |
| 9.00%, 1/15/21 (b)                            | 590          | 627,612    |
|   |              | 1,509,000  |

**Capital Markets 0.8%**

|   |     |           |
|---|-----|-----------|
| American Capital Ltd., 7.96%, 12/31/13                      | 230 | 235,536   |
| E*Trade Financial Corp., Series A, 0.17%,<br>8/31/19 (d)(e) | 295 | 455,775   |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)                   | 300 | 309,098   |
|   |     | 1,000,409 |

**Chemicals 3.1%**

|  |     |         |
|--|-----|---------|
| American Pacific Corp., 9.00%, 2/01/15 | 400 | 393,000 |
| Chemtura Corp., 7.88%, 9/01/18 (b)     | 245 | 261,537 |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b) | 75  | 83,438  |
| Hexion U.S. Finance Corp.:             |     |         |
| 8.88%, 2/01/18                         | 345 | 370,444 |
| 9.00%, 11/15/20 (b)                    | 170 | 180,838 |

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|   |     |     |           |
|---|-----|-----|-----------|
| Huntsman International LLC (b):             |     |     |           |
| 6.88%, 11/15/13                             | EUR | 130 | 183,430   |
| 8.63%, 3/15/21                              | USD | 230 | 255,300   |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)       |     | 195 | 214,012   |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)     |     | 55  | 56,100    |
| MacDermid, Inc., 9.50%, 4/15/17 (b)         |     | 555 | 591,075   |
| Nalco Co., 6.63%, 1/15/19 (b)               |     | 150 | 155,063   |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(f)  |     | 85  | 86,488    |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)     |     | 355 | 389,612   |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b) |     | 65  | 66,706    |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)     |     | 65  | 67,681    |
| PolyOne Corp., 7.38%, 9/15/20               |     | 100 | 106,000   |
| Rhodia SA, 6.88%, 9/15/20 (b)               |     | 360 | 368,550   |
| TPC Group LLC, 8.25%, 10/01/17 (b)          |     | 155 | 164,881   |
|   |     |     | 3,994,155 |

**Commercial Banks 2.9%**

|                  |  |       |           |
|------------------|--|-------|-----------|
| CIT Group, Inc.: |  |       |           |
| 7.00%, 5/01/16   |  | 1,088 | 1,097,939 |
| 7.00%, 5/01/17   |  | 2,571 | 2,590,063 |
|                  |  |       | 3,688,002 |

**Commercial Services & Supplies 1.8%**

|   |  |     |           |
|---|--|-----|-----------|
| ACCO Brands Corp., 10.63%, 3/15/15                    |  | 350 | 395,500   |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)       |  | 200 | 205,500   |
| Brickman Group Holdings, Inc., 9.13%,<br>11/01/18 (b) |  | 140 | 150,500   |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (b)       |  | 174 | 178,350   |
| International Lease Finance Corp., 8.25%,<br>12/15/20 |  | 151 | 167,988   |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)                |  | 105 | 111,825   |
| RSC Equipment Rental, Inc. (b):                       |  |     |           |
| 10.00%, 7/15/17                                       |  | 275 | 316,250   |
| 8.25%, 2/01/21  |  | 267 | 282,352   |
| West Corp. (b):                                       |  |     |           |
| 8.63%, 10/01/18                                       |  | 345 | 365,700   |
| 7.88%, 1/15/19  |  | 95  | 97,494    |
|   |  |     | 2,271,459 |

**Communications Equipment 0.2%**

|                                |  |     |         |
|--------------------------------|--|-----|---------|
| Avaya Inc., 7.00%, 4/01/19 (b) |  | 200 | 198,000 |
|--------------------------------|--|-----|---------|

**Computers & Peripherals 0.3%**

|                                |  |     |         |
|--------------------------------|--|-----|---------|
| EMC Corp., 1.75%, 12/01/13 (d) |  | 240 | 419,400 |
|--------------------------------|--|-----|---------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock High Income Shares (HIS)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Construction Materials 1.3%</b>                     |     |              |              |
| Nortek, Inc.:  |     |              |              |
| 11.00%, 12/01/13                                       | USD | 964          | \$ 1,026,943 |
| 10.00%, 12/01/18 (b)                                   |     | 550          | 587,125      |
|  |     |              | 1,614,068    |
| <b>Consumer Finance 0.9%</b>                           |     |              |              |
| Credit Acceptance Corp., 9.13%, 2/01/17                |     |              |              |
|  |     | 320          | 344,800      |
| Ford Motor Credit Co. LLC:                             |     |              |              |
| 3.05%, 1/13/12 (g)                                     |     | 145          | 146,478      |
| 7.80%, 6/01/12   |     | 300          | 319,933      |
| 6.63%, 8/15/17   |     | 360          | 382,888      |
|  |     |              | 1,194,099    |
| <b>Containers &amp; Packaging 2.0%</b>                 |     |              |              |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (b)   |     |              |              |
|  | EUR | 285          | 406,067      |
| Ball Corp., 6.75%, 9/15/20                             | USD | 250          | 261,875      |
| Berry Plastics Corp.:                                  |     |              |              |
| 8.25%, 11/15/15  |     | 65           | 69,631       |
| 9.75%, 1/15/21 (b)                                     |     | 430          | 431,075      |
| Graham Packaging Co. LP, 8.25%, 10/01/18               |     | 115          | 123,913      |
| Graphic Packaging International, Inc.:                 |     |              |              |
| 9.50%, 6/15/17   |     | 355          | 394,050      |
| 7.88%, 10/01/18  |     | 185          | 198,875      |
| OI European Group BV, 6.88%, 3/31/17                   | EUR | 100          | 143,687      |
| Pregis Corp., 12.38%, 10/15/13                         | USD | 484          | 487,630      |
|  |     |              | 2,516,803    |
| <b>Diversified Financial Services 5.6%</b>             |     |              |              |
| Ally Financial, Inc.:                                  |     |              |              |
| 7.50%, 12/31/13  |     | 90           | 98,100       |
| 2.51%, 12/01/14 (g)                                    |     | 156          | 153,294      |
| 8.30%, 2/12/15   |     | 480          | 541,800      |
| 6.25%, 12/01/17 (b)                                    |     | 340          | 354,875      |
| 8.00%, 3/15/20   |     | 660          | 743,325      |
| 7.50%, 9/15/20 (b)                                     |     | 520          | 568,750      |
| 8.00%, 11/01/31  |     | 390          | 446,703      |
| 8.00%, 11/01/31  |     | 450          | 515,250      |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  |     |              |              |
|  |     | 205          | 226,012      |
| FCE Bank Plc, 7.13%, 1/15/13                           | EUR | 450          | 654,355      |
| Leucadia National Corp., 8.13%, 9/15/15                | USD | 540          | 594,000      |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) |     | 595          | 633,675      |
| Reynolds Group Issuer, Inc. (b):                       |     |              |              |

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|                |     |         |
|----------------|-----|---------|
| 7.13%, 4/15/19 | 270 | 276,750 |
| 9.00%, 4/15/19 | 870 | 906,975 |
| 6.88%, 2/15/21 | 180 | 180,450 |
| 8.25%, 2/15/21 | 225 | 225,563 |

7,119,877

**Diversified Telecommunication Services 3.9%**

|   |     |         |
|---|-----|---------|
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 | 480 | 478,200 |
| Frontier Communications Corp.:                        |     |         |
| 8.25%, 4/15/17  | 196 | 216,580 |
| 8.50%, 4/15/20  | 180 | 199,800 |
| GCI, Inc., 8.63%, 11/15/19                            | 600 | 660,000 |
| ITC Deltacom, Inc., 10.50%, 4/01/16                   | 170 | 186,575 |
| Level 3 Communications, Inc., 6.50%, 10/01/16 (d)     | 120 | 171,300 |
| Level 3 Financing, Inc.:                              |     |         |
| 9.25%, 11/01/14                                       | 60  | 61,950  |
| 8.75%, 2/15/17  | 660 | 648,450 |
| Qwest Communications International, Inc.:             |     |         |
| 7.50%, 2/15/14  | 910 | 923,650 |
| 8.00%, 10/01/15                                       | 300 | 327,375 |
| Series B, 7.50%, 2/15/14                              | 540 | 548,100 |

| Corporate Bonds | Par<br>(000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Diversified Telecommunication Services  
(concluded)**

|                   |     |     |    |           |
|-------------------|-----|-----|----|-----------|
| Windstream Corp.: |     |     |    |           |
| 8.13%, 8/01/13    | USD | 112 | \$ | 123,340   |
| 8.63%, 8/01/16    |     | 205 |    | 216,788   |
| 7.88%, 11/01/17   |     | 253 |    | 274,821   |
|                   |     |     |    | 5,036,929 |

**Electric Utilities 0.5%**

|   |     |         |
|---|-----|---------|
| Elwood Energy LLC, 8.16%, 7/05/26                     | 358 | 356,216 |
| Salton Sea Funding Corp., Series E, 8.30%,<br>5/30/11 | 235 | 236,704 |
|   |     | 592,920 |

**Electronic Equipment, Instruments &  
Components 0.7%**

|                             |     |         |
|-----------------------------|-----|---------|
| CDW LLC:                    |     |         |
| 11.00%, 10/12/15            | 60  | 65,250  |
| 11.50%, 10/12/15 (c)        | 300 | 325,500 |
| 8.00%, 12/15/18 (b)         | 260 | 279,500 |
| NXP BV, 3.05%, 10/15/13 (g) | 225 | 223,875 |

894,125

**Energy Equipment & Services 1.5%**

|  |     |         |
|--|-----|---------|
| Bayou Well Services, 0.16%, 12/22/13                         | 300 | 300,000 |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                     | 115 | 117,875 |
| Compagnie Générale de Géophysique-Veritas:<br>7.50%, 5/15/15 | 485 | 501,975 |

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|   |     |           |
|---|-----|-----------|
| 7.75%, 5/15/17                                | 170 | 179,775   |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)  | 205 | 210,125   |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)   | 285 | 294,975   |
| Precision Drilling Corp., 6.63%, 11/15/20 (b) | 55  | 56,788    |
| Thermon Industries, Inc., 9.50%, 5/01/17      | 255 | 276,037   |
|   |     | 1,937,550 |

**Food & Staples Retailing 0.5%**

|                               |     |         |
|-------------------------------|-----|---------|
| BI-LO LLC, 9.25%, 2/15/19 (b) | 150 | 156,000 |
| Rite Aid Corp.:               |     |         |
| 9.75%, 6/12/16                | 195 | 219,619 |
| 7.50%, 3/01/17                | 290 | 291,812 |
|                               |     | 667,431 |

**Food Products 0.7%**

|  |     |         |
|--|-----|---------|
| B&G Foods, Inc., 7.63%, 1/15/18          | 100 | 106,750 |
| Blue Merger Sub Inc., 7.63%, 2/15/19 (b) | 480 | 484,800 |
| Reddy Ice Corp., 11.25%, 3/15/15         | 210 | 220,500 |
| Smithfield Foods, Inc., 10.00%, 7/15/14  | 33  | 38,940  |
|  |     | 850,990 |

**Health Care Equipment & Supplies 1.5%**

|                                       |       |           |
|---------------------------------------|-------|-----------|
| DJO Finance LLC, 10.88%, 11/15/14     | 1,135 | 1,244,243 |
| Hologic, Inc., 2.00%, 12/15/37 (d)(h) | 665   | 640,894   |
|                                       |       | 1,885,137 |

**Health Care Providers & Services 5.7%**

|   |         |           |
|---|---------|-----------|
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | 130     | 135,525   |
| ConvaTec Healthcare E SA (b):                     |         |           |
| 7.38%, 12/15/17                                   | EUR 200 | 287,030   |
| 10.50%, 12/15/18                                  | USD 220 | 234,850   |
| DaVita, Inc., 6.38%, 11/01/18                     | 180     | 182,475   |
| Gentiva Health Services Inc., 11.50%, 9/01/18     | 325     | 366,031   |
| HCA, Inc.:  |         |           |
| 9.13%, 11/15/14                                   | 620     | 650,225   |
| 8.50%, 4/15/19                                    | 465     | 520,800   |
| 7.25%, 9/15/20                                    | 1,295   | 1,396,981 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        | 300     | 308,250   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock High Income Shares (HIS)**  
(Percentages shown are based on Net Assets)

| Corporate Bonds   |     | Par<br>(000) | Value     |
|---|-----|--------------|-----------|
| <b>Health Care Providers &amp; Services (concluded)</b>           |     |              |           |
| Omnicare, Inc.:   |     |              |           |
| 6.13%, 6/01/13  | USD | 84           | \$ 84,315 |
| 6.88%, 12/15/15   |     | 200          | 206,500   |
| 7.75%, 6/01/20  |     | 290          | 309,575   |
| Priory Group Ltd., 7.00%, 2/15/18                                 | GBP | 100          | 166,629   |
| Tenet Healthcare Corp.:   |     |              |           |
| 9.00%, 5/01/15  | USD | 747          | 821,700   |
| 10.00%, 5/01/18   |     | 257          | 301,975   |
| 8.88%, 7/01/19  |     | 1,175        | 1,336,563 |
|   |     |              | 7,309,424 |
| <b>Health Care Technology 1.1%</b>                                |     |              |           |
| IMS Health, Inc., 12.50%, 3/01/18 (b)                             |     | 1,125        | 1,319,062 |
| MedAssets, Inc., 8.00%, 11/15/18 (b)                              |     | 75           | 77,063    |
|   |     |              | 1,396,125 |
| <b>Hotels, Restaurants &amp; Leisure 3.0%</b>                     |     |              |           |
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)                            |     | 285          | 299,250   |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/18    |     | 1,710        | 1,607,400 |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)                       |     | 155          | 161,587   |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)                        |     | 550          | 589,875   |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17                     |     | 310          | 351,850   |
| MGM Resorts International:  |     |              |           |
| 10.38%, 5/15/14   |     | 125          | 140,000   |
| 11.13%, 11/15/17  |     | 390          | 449,475   |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (b)           |     | 55           | 56,100    |
| Travelport LLC:   |     |              |           |
| 4.94%, 9/01/14 (g)  |     | 75           | 66,938    |
| 9.88%, 9/01/14  |     | 90           | 87,862    |
| 9.00%, 3/01/16  |     | 60           | 56,700    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(i) |     | 215          | 22        |
|   |     |              | 3,867,059 |
| <b>Household Durables 3.8%</b>                                    |     |              |           |
| American Standard Americas, 10.75%, 1/15/16 (b)                   |     | 190          | 201,875   |
| Ashton Woods USA LLC, 23.20%, 6/30/15 (b)(j)                      |     | 400          | 260,000   |
| Beazer Homes USA, Inc.:   |     |              |           |
| 8.13%, 6/15/16  |     | 145          | 147,356   |
| 12.00%, 10/15/17  |     | 720          | 837,000   |
| 9.13%, 6/15/18  |     | 915          | 944,737   |
| Jarden Corp., 7.50%, 1/15/20                                      | EUR | 140          | 201,404   |
| Ryland Group, Inc., 6.63%, 5/01/20                                | USD | 315          | 308,700   |

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|                                |     |           |
|--------------------------------|-----|-----------|
| <b>Standard Pacific Corp.:</b> |     |           |
| 10.75%, 9/15/16                | 890 | 1,045,750 |
| 8.38%, 5/15/18 (b)             | 220 | 233,200   |
| 8.38%, 5/15/18                 | 210 | 222,600   |
| 8.38%, 1/15/21 (b)             | 360 | 379,800   |
|                                |     | 4,782,422 |

**IT Services 1.8%**

|   |     |           |
|---|-----|-----------|
| <b>First Data Corp. (b):</b>                  |     |           |
| 8.25%, 1/15/21                                | 806 | 801,970   |
| 12.63%, 1/15/21                               | 383 | 401,192   |
| iPayment, Inc., 9.75%, 5/15/14                | 335 | 332,069   |
| iPayment Investors LP, 12.75%, 7/15/14 (b)(c) | 292 | 271,964   |
| <b>SunGard Data Systems, Inc. (b):</b>        |     |           |
| 7.38%, 11/15/18                               | 220 | 227,150   |
| 7.63%, 11/15/20                               | 280 | 289,100   |
|   |     | 2,323,445 |

|                        |                      |              |
|------------------------|----------------------|--------------|
| <b>Corporate Bonds</b> | <b>Par<br/>(000)</b> | <b>Value</b> |
|------------------------|----------------------|--------------|

**Independent Power Producers & Energy Traders 4.2%**

|  |           |              |
|--|-----------|--------------|
| AES Red Oak LLC, Series B, 9.20%, 11/30/29                   | USD 1,250 | \$ 1,231,250 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)      | 600       | 651,000      |
| <b>Calpine Corp. (b):</b>                                    |           |              |
| 7.50%, 2/15/21   | 215       | 219,838      |
| 7.88%, 1/15/23   | 290       | 297,975      |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b)            | 1,460     | 1,520,374    |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 81        | 84,552       |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                         | 1,245     | 1,296,356    |
|  |           | 5,301,345    |

**Industrial Conglomerates 2.4%**

|                         |       |           |
|-------------------------|-------|-----------|
| <b>Sequa Corp. (b):</b> |       |           |
| 11.75%, 12/01/15        | 1,060 | 1,150,100 |
| 13.50%, 12/01/15 (c)    | 1,770 | 1,959,767 |
|                         |       | 3,109,867 |

**Insurance 1.0%**

|   |     |           |
|---|-----|-----------|
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (b) | 800 | 846,000   |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b) | 159 | 169,335   |
| USI Holdings Corp., 4.16%, 11/15/14 (b)(g)    | 310 | 299,150   |
|   |     | 1,314,485 |

**Machinery 2.0%**

|                                      |     |           |
|--------------------------------------|-----|-----------|
| AGY Holding Corp., 11.00%, 11/15/14  | 700 | 623,000   |
| <b>Navistar International Corp.:</b> |     |           |
| 3.00%, 10/15/14 (d)                  | 760 | 1,062,100 |

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|   |       |           |
|---|-------|-----------|
| 8.25%, 11/01/21   | 310   | 343,325   |
| Oshkosh Corp., 8.25%, 3/01/17                               | 50    | 55,500    |
| Titan International, Inc. (b):                              |       |           |
| 5.63%, 1/15/17 (d)  | 110   | 286,550   |
| 7.88%, 10/01/17   | 190   | 203,300   |
|   |       | 2,573,775 |
| <b>Marine 0.5%</b>  |       |           |
| Horizon Lines, Inc., 4.25%, 8/15/12 (d)                     | 700   | 649,250   |
| <b>Media 13.3%</b>  |       |           |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                   | 260   | 248,950   |
| CCH II LLC, 13.50%, 11/30/16                                | 457   | 553,714   |
| CCO Holdings LLC:   |       |           |
| 7.88%, 4/30/18  | 220   | 234,850   |
| 8.13%, 4/30/20  | 220   | 237,325   |
| CMP Susquehanna Corp., 3.44%, 5/15/14                       | 69    | 48,639    |
| CSC Holdings, Inc., 8.50%, 4/15/14                          | 180   | 201,600   |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | 665   | 689,937   |
| Checkout Holding Corp., 10.97%, 11/15/15 (b)(e)             | 405   | 261,225   |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)             | 120   | 128,700   |
| Clear Channel Communications Inc., 9.00%,<br>3/01/21 (b)    | 115   | 116,869   |
| Clear Channel Worldwide Holdings, Inc.:                     |       |           |
| 9.25%, 12/15/17   | 701   | 778,110   |
| Series B, 9.25%, 12/15/17                                   | 2,596 | 2,888,050 |
| Cox Enterprises, Inc.:                                      |       |           |
| Loan Close 2, 4.00%, 8/15/18                                | 309   | 308,686   |
| Loan Close 3, 12.00%, 8/15/18                               | 353   | 352,917   |
| Shares Loan, 4.00%, 8/15/18                                 | 364   | 363,981   |
| DISH DBS Corp., 7.00%, 10/01/13                             | 192   | 206,400   |
| Gray Television, Inc., 10.50%, 6/29/15                      | 445   | 472,813   |
| Harland Clarke Holdings Corp.:                              |       |           |
| 6.00%, 5/15/15 (g)  | 160   | 143,600   |
| 9.50%, 5/15/15  | 190   | 186,675   |
| Interactive Data Corp., 10.25%, 8/01/18 (b)                 | 480   | 537,600   |
| Liberty Global, Inc., 4.50%, 11/15/16 (d)                   | 180   | 311,850   |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)         | 365   | 375,950   |

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock High Income Shares (HIS)**  
(Percentages shown are based on Net Assets)

| Corporate Bonds   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Media (concluded)</b>  |     |              |            |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b)          | USD | 290          | \$ 311,750 |
| Nielsen Finance LLC:  |     |              |            |
| 11.63%, 2/01/14   |     | 72           | 84,600     |
| 7.75%, 10/15/18 (b)   |     | 970          | 1,048,812  |
| ProQuest LLC, 9.00%, 10/15/18 (b)                               |     | 230          | 238,050    |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(d)(i)                 |     | 1,427        | 14,274     |
| Rainbow National Services LLC, 10.38%,<br>9/01/14 (b)           |     | 1,813        | 1,887,786  |
| Regal Entertainment Group, 9.13%, 8/15/18                       |     | 180          | 192,600    |
| Unitymedia GmbH, 9.63%, 12/01/19                                | EUR | 100          | 156,797    |
| Univision Communications, Inc., 7.88%,<br>11/01/20 (b)          | USD | 215          | 230,588    |
| UPC Germany GmbH (b):   |     |              |            |
| 8.13%, 12/01/17   |     | 425          | 455,813    |
| 8.13%, 12/01/17   | EUR | 175          | 259,905    |
| 9.63%, 12/01/19   |     | 245          | 384,152    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                              | USD | 300          | 333,000    |
| UPCB Finance II Ltd., 6.38%, 7/01/20                            | EUR | 371          | 505,548    |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18                | GBP | 200          | 350,327    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                           | EUR | 175          | 258,999    |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                           |     | 370          | 522,070    |
|   |     |              | 16,883,512 |
| <b>Metals &amp; Mining 3.2%</b>                                 |     |              |            |
| Drummond Co., Inc.:   |     |              |            |
| 9.00%, 10/15/14 (b)   | USD | 290          | 309,575    |
| 7.38%, 2/15/16  |     | 105          | 108,675    |
| FMG Resources August 2006 Property Ltd., 7.00%,<br>11/01/15 (b) |     | 735          | 762,562    |
| Goldcorp, Inc., 2.00%, 8/01/14 (d)                              |     | 250          | 314,688    |
| Newmont Mining Corp., Series A, 1.25%, 7/15/14 (d)              |     | 200          | 266,750    |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              |     | 1,625        | 1,791,562  |
| Ryerson, Inc.:  |     |              |            |
| 7.68%, 11/01/14 (g)   |     | 180          | 172,800    |
| 12.00%, 11/01/15  |     | 100          | 107,500    |
| Steel Dynamics, Inc., 7.38%, 11/01/12                           |     | 175          | 185,938    |
|   |     |              | 4,020,050  |
| <b>Multiline Retail 1.8%</b>                                    |     |              |            |
| Dollar General Corp., 11.88%, 7/15/17 (c)                       |     | 2,020        | 2,335,625  |
| <b>Oil, Gas &amp; Consumable Fuels 8.0%</b>                     |     |              |            |
| Alpha Natural Resources Inc., 2.38%, 4/15/15 (d)                |     | 110          | 143,687    |
| Arch Coal, Inc., 7.25%, 10/01/20                                |     | 400          | 425,000    |
| Berry Petroleum Co., 8.25%, 11/01/16                            |     | 275          | 290,469    |

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|   |     |           |
|---|-----|-----------|
| Bill Barrett Corp., 9.88%, 7/15/16              | 20  | 22,400    |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)    | 105 | 111,563   |
| Chaparral Energy Inc., 8.25%, 9/01/21 (b)       | 115 | 117,012   |
| Chesapeake Energy Corp.:                        |     |           |
| 6.50%, 8/15/17                                  | 235 | 252,037   |
| 6.63%, 8/15/20                                  | 730 | 766,500   |
| 6.13%, 2/15/21                                  | 430 | 438,600   |
| 2.25%, 12/15/38 (d)                             | 375 | 343,125   |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)   | 122 | 132,980   |
| Concho Resources Inc., 7.00%, 1/15/21           | 190 | 199,025   |
| Connacher Oil and Gas Ltd. (b):                 |     |           |
| 11.75%, 7/15/14                                 | 85  | 92,013    |
| 10.25%, 12/15/15                                | 520 | 549,900   |
| Consol Energy, Inc., 8.25%, 4/01/20             | 920 | 1,014,300 |
| Continental Resources, Inc., 7.13%, 4/01/21 (b) | 170 | 181,050   |
| Crosstex Energy LP, 8.88%, 2/15/18              | 85  | 93,713    |
| Denbury Resources Inc.:                         |     |           |
| 8.25%, 2/15/20                                  | 348 | 387,150   |
| 6.38%, 8/15/21                                  | 160 | 161,600   |
| Energy Transfer Equity LP, 7.50%, 10/15/20      | 65  | 70,444    |

| Corporate Bonds                                    | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b> |              |            |
| Energy XXI Gulf Coast, Inc. (b):                   |              |            |
| 9.25%, 12/15/17                                    | USD 195      | \$ 209,625 |
| 7.75%, 6/15/19                                     | 240          | 242,400    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)            | 360          | 379,800    |
| Linn Energy LLC (b):                               |              |            |
| 8.63%, 4/15/20                                     | 515          | 574,225    |
| 7.75%, 2/01/21                                     | 275          | 292,187    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20       | 120          | 123,000    |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)       | 875          | 953,750    |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)          | 105          | 106,575    |
| Peabody Energy Corp., 6.50%, 9/15/20               | 250          | 267,500    |
| Petrohawk Energy Corp.:                            |              |            |
| 10.50%, 8/01/14                                    | 180          | 207,000    |
| 7.88%, 6/01/15                                     | 210          | 222,600    |
| Range Resources Corp., 8.00%, 5/15/19              | 200          | 220,250    |
| SM Energy Co., 6.63%, 2/15/19 (b)                  | 135          | 136,519    |
| Teekay Corp., 8.50%, 1/15/20                       | 300          | 322,875    |
| United Refining Co., 10.50%, 2/28/18 (b)(f)        | 120          | 118,800    |
|  |              | 10,169,674 |

|   |       |           |
|---|-------|-----------|
| <b>Paper &amp; Forest Products 2.8%</b> |       |           |
| Boise Paper Holdings LLC:               |       |           |
| 9.00%, 11/01/17                         | 155   | 172,825   |
| 8.00%, 4/01/20                          | 70    | 77,175    |
| Catalyst Paper Corp., 7.38%, 3/01/14    | 175   | 151,375   |
| Clearwater Paper Corp.:                 |       |           |
| 10.63%, 6/15/16                         | 185   | 211,363   |
| 7.13%, 11/01/18 (b)                     | 270   | 280,125   |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | 755   | 851,262   |
| NewPage Corp., 11.38%, 12/31/14         | 1,280 | 1,276,800 |
| Verso Paper Holdings LLC:               |       |           |
| 11.50%, 7/01/14                         | 405   | 446,512   |
| 8.75%, 2/01/19 (b)                      | 105   | 109,725   |

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3,577,162

| <b>Pharmaceuticals 0.9%</b>                             |     |           |
|---|-----|-----------|
| Angiotech Pharmaceuticals, Inc., 4.06%,<br>12/01/13 (g) | 420 | 352,800   |
| Grifols, Inc., 8.25%, 2/01/18 (b)                       | 60  | 61,650    |
| Novasep Holding SAS, 9.75%, 12/15/16 (b)                | 373 | 296,535   |
| Valeant Pharmaceuticals International (b):              |     |           |
| 6.75%, 10/01/17   | 175 | 181,125   |
| 7.00%, 10/01/20   | 225 | 232,594   |
|   |     | 1,124,704 |

| <b>Professional Services 0.6%</b> |     |         |
|-----------------------------------|-----|---------|
| FTI Consulting, Inc.:             |     |         |
| 7.75%, 10/01/16                   | 275 | 288,406 |
| 6.75%, 10/01/20 (b)               | 425 | 425,000 |
|                                   |     | 713,406 |

| <b>Real Estate Investment Trusts (REITs) 0.4%</b>        |     |         |
|--|-----|---------|
| Omega Healthcare Investors, Inc., 6.75%,<br>10/15/22 (b) | 245 | 247,450 |
| The Rouse Co. LP, 6.75%, 11/09/15                        | 240 | 251,400 |
|  |     | 498,850 |

| <b>Real Estate Management &amp; Development 1.3%</b> |       |           |
|--|-------|-----------|
| CB Richard Ellis Services Inc., 6.63%, 10/15/20      | 160   | 165,000   |
| Realogy Corp. (b):                                   |       |           |
| 11.50%, 4/15/17                                      | 355   | 378,075   |
| 7.88%, 2/15/19                                       | 1,165 | 1,169,369 |
|  |       | 1,712,444 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock High Income Shares (HIS)**  
(Percentages shown are based on Net Assets)

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Road &amp; Rail 1.5%</b>                                  |              |            |
| Avis Budget Car Rental LLC:                                  |              |            |
| 9.63%, 3/15/18   | USD 240      | \$ 268,200 |
| 8.25%, 1/15/19   | 355          | 376,744    |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (b)         | 200          | 209,000    |
| The Hertz Corp. (b):   |              |            |
| 7.50%, 10/15/18  | 420          | 444,675    |
| 6.75%, 4/15/19   | 195          | 198,900    |
| 7.38%, 1/15/21   | 225          | 235,125    |
| Syncreon Global Ireland Ltd., 9.50%, 5/01/18 (b)             | 170          | 176,375    |
|  |              | 1,909,019  |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.3%</b> |              |            |
| Linear Technology Corp., Series A, 3.00%,<br>5/01/27 (d)     |              |            |
|  | 200          | 217,750    |
| Spansion LLC, 7.88%, 11/15/17 (b)                            | 130          | 132,600    |
|  |              | 350,350    |
| <b>Specialty Retail 1.5%</b>                                 |              |            |
| Asbury Automotive Group, Inc., 8.38%,<br>11/15/20 (b)        |              |            |
|  | 155          | 162,750    |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(f)                 | 150          | 150,563    |
| Hillman Group, Inc., 10.88%, 6/01/18                         | 250          | 275,000    |
| Limited Brands, Inc., 8.50%, 6/15/19                         | 70           | 80,150     |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b)             | 210          | 226,800    |
| Sonic Automotive, Inc., 9.00%, 3/15/18                       | 175          | 187,250    |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b)                 | 200          | 210,750    |
| United Auto Group, Inc., 7.75%, 12/15/16                     | 655          | 676,287    |
|  |              | 1,969,550  |
| <b>Transportation Infrastructure 0.2%</b>                    |              |            |
| Aguila 3 SA, 7.88%, 1/31/18 (b)                              |              |            |
|  | 198          | 205,425    |
| <b>Wireless Telecommunication Services 4.5%</b>              |              |            |
| Clearwire Communications LLC (b):                            |              |            |
| 12.00%, 12/01/15   | 110          | 119,900    |
| 12.00%, 12/01/17   | 270          | 291,600    |
| Cricket Communications, Inc.:                                |              |            |
| 10.00%, 7/15/15  | 325          | 358,312    |
| 7.75%, 5/15/16   | 320          | 338,400    |
| Digicel Group Ltd. (b):                                      |              |            |
| 8.88%, 1/15/15   | 370          | 384,800    |
| 9.13%, 1/15/15   | 1,220        | 1,270,630  |
| 8.25%, 9/01/17   | 565          | 590,425    |
| 10.50%, 4/15/18  | 200          | 228,000    |

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|  |     |             |
|--|-----|-------------|
| FiberTower Corp., 9.00%, 1/01/16 (c)                 | 151 | 129,095     |
| Intelsat Jackson Holdings SA, 7.25%,<br>10/15/20 (b) | 155 | 159,263     |
| iPCS, Inc., 2.43%, 5/01/13 (g)                       | 330 | 325,875     |
| MetroPCS Wireless, Inc.:<br>7.88%, 9/01/18           | 240 | 253,500     |
| 6.63%, 11/15/20                                      | 350 | 340,813     |
| NII Holdings, Inc., 3.13%, 6/15/12 (d)               | 170 | 169,150     |
| Sprint Capital Corp., 6.88%, 11/15/28                | 650 | 585,812     |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)         | 120 | 129,600     |
|  |     | 5,675,175   |
| <b>Total Corporate Bonds 100.6%</b>                  |     | 128,117,233 |

| Floating Rate Loan Interests (g)   | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Building Products 0.3%</b>  |              |            |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/13/17                | USD 300      | \$ 309,187 |
| <b>Chemicals 0.2%</b>  |              |            |
| Styron Sarl, Term Loan, 7.50%, 6/17/16   | 300          | 302,700    |
| <b>Commercial Services &amp; Supplies 0.8%</b>                                   |              |            |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>7.75%, 6/10/16                     | 240          | 246,450    |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16                                | 325          | 327,786    |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50%, 8/24/16     | 449          | 453,175    |
|  |              | 1,027,411  |
| <b>Consumer Finance 1.6%</b>   |              |            |
| AGFS Funding Co., Term Loan, 7.25%, 4/21/15                                      | 2,000        | 2,017,800  |
| <b>Electric Utilities 0.0%</b>   |              |            |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17                       | 45           | 45,440     |
| <b>Food Products 0.3%</b>  |              |            |
| Advance Pierre Foods, Term Loan, 11.25%, 9/29/17                                 | 400          | 410,000    |
| <b>Health Care Providers &amp; Services 0.7%</b>                                 |              |            |
| Harden Healthcare, Inc.:<br>Add-on Term Loan, 7.75%, 3/02/15                     | 285          | 279,300    |
| Tranche A Term Loan, 8.50%, 2/22/15  | 203          | 198,500    |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.),<br>Term Loan B, 4.75%, 7/31/16 | 398          | 399,741    |
|  |              | 877,541    |
| <b>Hotels, Restaurants &amp; Leisure 0.8%</b>                                    |              |            |
| Harrah's Operating Co., Inc., Term Loan B-3, 3.30%,<br>1/28/15                   | 200          | 185,694    |
|  | 946          | 843,969    |

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Travelport LLC (FKA Travelport, Inc.), Loan, 8.31%,  
3/27/12 (c)

1,029,663

**Household Durables 0.7%**

Visant Corp. (FKA Jostens), Term Loan B, 7.00%,  
12/20/16

499 503,214

Visant Holding Corp. 5.25%, 12/22/16

440 440,000

943,214

**IT Services 0.5%**

First Data Corp.:

Initial Tranche B-2 Term Loan, 3.01%, 9/24/14

192 181,437

Initial Tranche B-3 Term Loan, 3.01%, 9/24/14

421 398,279

579,716

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

Texas Competitive Electric Holdings Co., LLC (TXU):

Initial Tranche B-3 Term Loan, 3.76%, 10/10/14

1,451 1,220,138

Term Loan B2, 3.76%, 10/10/14

89 74,939

1,295,077

**Media 4.1%**

Cengage Learning Acquisitions, Inc. (Thomson  
Learning), Tranche 1 Incremental Term Loan,  
7.50%, 7/03/14

731 734,540

HMH Publishing Co., Ltd., Tranche A Term Loan,  
6.01%, 6/12/14

428 406,529

Intelsat Jackson Holdings Ltd., Term Loan B, 5.25%,  
3/07/18

3,300 3,322,173

Newsday, LLC, Fixed Rate Term Loan, 10.50%,  
8/01/13

750 797,344

5,260,586

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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## Schedule of Investments (continued)

**BlackRock High Income Shares (HIS)**  
(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (g)                                  |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Metals &amp; Mining 0.1%</b>                                   |     |              |            |
| Euramax International, Inc., Domestic Term Loan:                  |     |              |            |
| 10.00%, 6/29/13   | USD | 78           | \$ 74,641  |
| 14.00%, 6/29/13   |     | 74           | 71,652     |
|   |     |              | 146,293    |
| <b>Multiline Retail 0.1%</b>                                      |     |              |            |
| The Neiman Marcus Group, Inc., Term Loan,<br>2.29%, 4/06/13       |     |              |            |
|   |     | 117          | 117,364    |
| <b>Oil, Gas &amp; Consumable Fuels 1.2%</b>                       |     |              |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/30/15         |     |              |            |
|   |     | 1,078        | 1,104,550  |
| Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (c)             |     |              |            |
|   |     | 1,069        | 438,228    |
|   |     |              | 1,542,778  |
| <b>Paper &amp; Forest Products 0.4%</b>                           |     |              |            |
| Verso Paper Finance Holdings LLC, PIK Loan,<br>7.30%, 2/01/13     |     |              |            |
|   |     | 499          | 449,167    |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>                 |     |              |            |
| iStar Financial, Inc., Term Loan (Second Lien),<br>6/28/11        |     |              |            |
|   |     | 100          | 98,625     |
| <b>Real Estate Management &amp; Development 0.3%</b>              |     |              |            |
| Realogy Corp.:  |     |              |            |
| Synthetic Letter of Credit, 4.51%, 10/10/13                       |     |              |            |
|   |     | 24           | 22,654     |
| Term Loan B, 4.56%, 10/16/16                                      |     |              |            |
|   |     | 351          | 336,734    |
| Term Loan C, 4.51%, 10/16/16                                      |     |              |            |
|   |     | 42           | 39,905     |
|   |     |              | 399,293    |
| <b>Specialty Retail 0.2%</b>                                      |     |              |            |
| Claire's Stores, Inc., Term Loan B, 3.01%, 5/29/14                |     |              |            |
|   |     | 73           | 71,496     |
| Michaels Stores, Inc., Term Loan B-1,<br>2.56%, 10/31/13          |     |              |            |
|   |     | 153          | 152,681    |
|   |     |              | 224,177    |
| <b>Wireless Telecommunication Services 0.6%</b>                   |     |              |            |
| Vodafone Americas Finance 2 Inc., Initial Loan,<br>6.88%, 7/30/15 |     |              |            |
|   |     | 776          | 803,675    |
| <b>Total Floating Rate Loan Interests 14.0%</b>                   |     |              | 17,879,707 |

| Other Interests (a)(l)   | Beneficial<br>Interest<br>(000) |         |
|--|---------------------------------|---------|
| <b>Auto Components 0.4%</b>  |                                 |         |
| Delphi Debtor-in-Possession Holding Co. LLP,<br>Class B Membership Interests | (k)                             | 560,224 |
| <b>Health Care Providers &amp; Services 0.0%</b>                             |                                 |         |
| Critical Care Systems International, Inc.                                    | 5                               | 477     |
| <b>Total Other Interests 0.4%</b>  |                                 | 560,701 |

| Preferred Stocks   | Shares | Value        |
|--|--------|--------------|
| <b>Automobiles 0.8%</b>                                  |        |              |
| General Motors Co., 4.75% (d)                            | 20,600 | \$ 1,048,128 |
| <b>Media 0.1%</b>  |        |              |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b)(g) | 16,138 |              |
| Emmis Communications Corp., Series A,<br>6.25% (a)(d)    | 10,300 | 180,250      |
|  |        | 180,250      |
| <b>Professional Services 0.1%</b>                        |        |              |
| Nielsen Holdings NV, 6.25% (a)(d)                        | 2,000  | 110,375      |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>        |        |              |
| MPG Office Trust, Inc., Series A, 7.63% (a)(d)           | 4,171  | 77,372       |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>               |        |              |
| Fannie Mae, Series O (a)                                 | 10,000 | 32,000       |
| Freddie Mac, Series Z (a)                                | 31,930 | 61,944       |
|  |        | 93,944       |
| <b>Total Preferred Stocks 1.2%</b>                       |        | 1,510,069    |

**Warrants (m)**

|   |        |   |
|---|--------|---|
| <b>Media 0.0%</b>   |        |   |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (b) | 18,441 |   |
| <b>Software 0.0%</b>  |        |   |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)    | 167    | 2 |
| HMH Holdings/EduMedia (Expires 3/09/17)                       | 3,476  |   |



|   |                     |
|---|---------------------|
|   | 2                   |
| <b>Total Warrants</b> 0.0%  | 2                   |
| <b>Total Long-Term Investments</b><br>(Cost \$142,423,935) 117.3%         | 149,480,312         |
| <b>Short-Term Securities</b>  |                     |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (n)(o) | 1,388,372 1,388,372 |
| <b>Total Short-Term Securities</b><br>(Cost \$1,388,372) 1.1%             | 1,388,372           |
| <b>Total Investments (Cost \$143,812,307*)</b> 118.4%                     | 150,868,684         |
| <b>Liabilities in Excess of Other Assets</b> (18.4)%                      | (23,501,463)        |
| <b>Net Assets</b> 100.0%  | \$ 127,367,221      |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock High Income Shares (HIS)

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

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 143,425,515 |
| Gross unrealized appreciation | \$ 10,223,896  |
| Gross unrealized depreciation | (2,780,727)    |
| Net unrealized appreciation   | \$ 7,443,169   |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (d) Convertible security.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------------|------------|--|
| Bank of America NA          | \$ 61,050  | \$ 1,050                                     |
| Credit Suisse International | \$ 269,363 | \$ 3,630                                     |
| Sterne Agee                 | \$ 25,438  | \$ (62)                                      |

- (g) Variable rate security. Rate shown is as of report date.
- (h) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (k) Amount is less than \$1,000.
- (l) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (m) Warrants entitle the Trust 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.

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- (n) Represents the current yield as of report date.
- (o) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at August 31, 2010 | Net Activity | Shares Held at February 28, 2011 | Income   |
|--|--------------------------------|--------------|----------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,032,818                      | (644,446)    | 1,388,372                        | \$ 1,748 |

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

| Contracts | Issue                 | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-----------|-----------------------|----------|------------|----------------|-------------------------|
| 30        | S&P E-Mini Mercantile | Chicago  | March 2011 | \$ 1,902,242   | \$ (86,908)             |

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

| Currency Purchased | Currency Sold | Counterparty           | Settlement Date | Unrealized Depreciation |
|--------------------|---------------|------------------------|-----------------|-------------------------|
| USD 85,369         | GBP 53,000    | Citibank NA            | 4/14/11         | \$ (758)                |
| USD 417,526        | GBP 260,000   | Deutsche Bank AG       | 4/14/11         | (4,984)                 |
| USD 3,462,305      | EUR 2,530,000 | Citibank NA            | 4/27/11         | (26,545)                |
| USD 638,157        | EUR 466,000   | Royal Bank of Scotland | 4/27/11         | (4,453)                 |
| <b>Total</b>       |               |                        |                 | <b>\$ (36,740)</b>      |

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

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

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock High Income Shares (HIS)

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

| Valuation Inputs             | Level 1             | Level 2               | Level 3             | Total                 |
|------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>               |                     |                       |                     |                       |
| Investments in Securities:   |                     |                       |                     |                       |
| Common Stocks                | \$ 1,214,148        | \$ 877                | \$ 197,575          | \$ 1,412,600          |
| Corporate Bonds              |                     | 126,101,964           | 2,015,269           | 128,117,233           |
| Floating Rate Loan Interests |                     | 14,196,287            | 3,683,420           | 17,879,707            |
| Other Interests              |                     | 560,224               | 477                 | 560,701               |
| Preferred Stocks             | 1,367,694           | 142,375               |                     | 1,510,069             |
| Warrants                     |                     |                       | 2                   | 2                     |
| Short-Term Securities        | 1,388,372           |                       |                     | 1,388,372             |
| <b>Liabilities:</b>          |                     |                       |                     |                       |
| Unfunded Loan Commitments    |                     |                       | (1,105)             | (1,105)               |
| <b>Total</b>                 | <b>\$ 3,970,214</b> | <b>\$ 141,001,727</b> | <b>\$ 5,895,638</b> | <b>\$ 150,867,579</b> |

Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs                    | Level 1            | Level 2            | Level 3 | Total               |
|-------------------------------------|--------------------|--------------------|---------|---------------------|
| <b>Liabilities:</b>                 |                    |                    |         |                     |
| Foreign currency exchange contracts |                    | \$ (36,740)        |         | \$ (36,740)         |
| Interest rate contracts             | \$ (86,908)        |                    |         | (86,908)            |
| <b>Total</b>                        | <b>\$ (86,908)</b> | <b>\$ (36,740)</b> |         | <b>\$ (123,648)</b> |

<sup>1</sup> Derivative financial instruments are financial futures contracts and foreign currency exchange contracts. Financial futures contracts and foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Stocks | Warrants | Unfunded Loan Commitments | Total        |
|---|---------------|-----------------|------------------------------|-----------------|------------------|----------|---------------------------|--------------|
| <b>Assets/Liabilities:</b>                                      |               |                 |                              |                 |                  |          |                           |              |
| Balance, as of August 31, 2010                                  | \$ 283,463    | \$ 3,070,692    | \$ 5,191,058                 | \$ 953          | \$ 417,114       |          | \$ (2,026)                | \$ 8,961,254 |
| Accrued discounts/premiums                                      |               | 106,362         | 219,167                      |                 |                  |          |                           | 325,529      |
| Net realized gain (loss)  | (2,246,360)   |                 | 104,121                      |                 | 831,079          |          |                           | (1,311,160)  |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 2,395,668     | (1,384,292)     | 362,698                      | (476)           | (84,683)         |          | 921                       | 1,289,836    |
| Purchases   |               | 300,000         | 1,856,218                    |                 |                  | \$ 2     |                           | 2,156,220    |

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|   |            |              |              |             |                           |
|---|------------|--------------|--------------|-------------|---------------------------|
| Sales                                   | (235,196)  | (28,875)     | (4,010,045)  | (1,163,510) | (5,437,626)               |
| Transfers in <sup>3</sup>               |            |              | 438,228      |             | 438,228                   |
| Transfers out <sup>3</sup>              |            | (48,618)     | (478,025)    |             | (526,643)                 |
| <hr/>                                   |            |              |              |             |                           |
| <b>Balance, as of February 28, 2011</b> | \$ 197,575 | \$ 2,015,269 | \$ 3,683,420 | \$ 477      | \$ 2 (1,105) \$ 5,895,638 |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$(1,000,072).

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

See Notes to Financial Statements.

Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock High Yield Trust (BHY)**  
 (Percentages shown are based on Net Assets)

| Common Stocks (a)                       | Shares | Value     |
|---|--------|-----------|
| <b>Capital Markets 0.2%</b>             |        |           |
| E*Trade Financial Corp.                 | 4,900  | \$ 78,302 |
| <b>Commercial Banks 0.1%</b>            |        |           |
| CIT Group, Inc.                         | 600    | 25,992    |
| <b>Construction Materials 0.0%</b>      |        |           |
| Nortek, Inc.                            | 375    | 16,687    |
| <b>Machinery 0.1%</b>                   |        |           |
| Navistar International Corp.            | 474    | 29,379    |
| <b>Paper &amp; Forest Products 0.0%</b> |        |           |
| Ainsworth Lumber Co. Ltd.               | 2,234  | 7,381     |
| Ainsworth Lumber Co. Ltd. (b)           | 2,507  | 8,283     |
|   |        | 15,664    |
| <b>Software 0.1%</b>                    |        |           |
| Bankruptcy Management Solutions, Inc.   | 91     | 319       |
| HMH Holdings/EduMedia                   | 13,576 | 67,880    |
|   |        | 68,199    |
| <b>Total Common Stocks 0.5%</b>         |        | 234,223   |

| Corporate Bonds                                       | Par<br>(000) |         |
|---|--------------|---------|
| <b>Air Freight &amp; Logistics 0.5%</b>               |              |         |
| National Air Cargo Group, Inc.:                       |              |         |
| Series 1, 12.38%, 9/02/15                             | \$ 119       | 119,271 |
| Series 2, 12.38%, 10/08/15                            | 120          | 120,417 |
|   |              | 239,688 |
| <b>Airlines 1.4%</b>                                  |              |         |
| Air Canada, 9.25%, 8/01/15 (b)                        | 180          | 192,600 |
| American Airlines, Inc. Series 2001-2, 7.86%, 4/01/13 | 20           | 20,650  |
| Continental Airlines, Inc.:                           |              |         |
| 6.75%, 9/15/15 (b)                                    | 90           | 92,475  |
| Series 2010-1-B, 6.00%, 7/12/20                       | 100          | 99,750  |
| United Air Lines, Inc., 12.75%, 7/15/12               | 246          | 274,369 |
|   |              | 688,451 |

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|   |                  |              |
|---|------------------|--------------|
|   |                  | 679,844      |
| <b>Auto Components 1.9%</b>                               |                  |              |
| Delphi International Holdings Unsecured, 12.00%, 10/06/14 | 8                | 8,422        |
| Icahn Enterprises LP, 8.00%, 1/15/18                      | 650              | 672,750      |
| Stanadyne Corp., Series 1, 10.00%, 8/15/14                | 90               | 93,150       |
| Tenneco Inc., 7.75%, 8/15/18                              | 90               | 96,863       |
|   |                  | 871,185      |
| <b>Beverages 0.1%</b>                                     |                  |              |
| Cott Beverages, Inc., 8.13%, 9/01/18                      | 43               | 46,279       |
| <b>Biotechnology 0.2%</b>                                 |                  |              |
| QHP Pharma, 10.25%, 3/15/15 (b)                           | 89               | 89,218       |
| <b>Building Products 0.8%</b>                             |                  |              |
| Building Materials Corp. of America, 6.88%, 8/15/18 (b)   | 90               | 92,250       |
| Momentive Performance Materials, Inc.: 11.50%, 12/01/16   | 30               | 32,550       |
| 9.00%, 1/15/21 (b)  | 215              | 228,706      |
|   |                  | 353,506      |
| <b>Capital Markets 0.7%</b>                               |                  |              |
| American Capital Ltd., 7.96%, 12/31/13                    | 90               | 92,166       |
| E*Trade Financial Corp., Series A, 2.51%, 8/31/19 (c)(d)  | 71               | 109,695      |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)                 | 110              | 113,336      |
|   |                  | 315,197      |
|   | <b>Par (000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>                                    |                  |              |
| <b>Chemicals 2.9%</b>                                     |                  |              |
| American Pacific Corp., 9.00%, 2/01/15                    | \$ 140           | \$ 137,550   |
| Chemtura Corp., 7.88%, 9/01/18 (b)                        | 90               | 96,075       |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)                    | 30               | 33,375       |
| Hexion U.S. Finance Corp.: 8.88%, 2/01/18                 | 130              | 139,588      |
| 9.00%, 11/15/20 (b)                                       | 60               | 63,825       |
| Huntsman International LLC, 8.63%, 3/15/21 (b)            | 85               | 94,350       |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)                     | 100              | 109,750      |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)                   | 20               | 20,400       |
| MacDermid, Inc., 9.50%, 4/15/17 (b)                       | 195              | 207,675      |
| Nalco Co., 6.63%, 1/15/19 (b)                             | 55               | 56,856       |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (b)(e)                | 30               | 30,525       |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)                   | 100              | 109,750      |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b)               | 25               | 25,656       |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)                   | 23               | 23,949       |
| PolyOne Corp., 7.38%, 9/15/20                             | 35               | 37,100       |
| Rhodia SA, 6.88%, 9/15/20 (b)                             | 100              | 102,375      |
| TPC Group LLC, 8.25%, 10/01/17 (b)                        | 55               | 58,506       |
|   |                  | 1,347,305    |



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**Commercial Banks 3.0%**

|                  |     |           |
|------------------|-----|-----------|
| CIT Group, Inc.: |     |           |
| 7.00%, 5/01/16   | 445 | 448,894   |
| 7.00%, 5/01/17   | 935 | 942,012   |
|                  |     | 1,390,906 |

**Commercial Services & Supplies 2.0%**

|  |     |         |
|--|-----|---------|
| ACCO Brands Corp., 10.63%, 3/15/15                 |     |         |
|  | 125 | 141,250 |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)    |     |         |
|  | 200 | 205,500 |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) |     |         |
|  | 85  | 91,375  |
| International Lease Finance Corp., 8.25%, 12/15/20 |     |         |
|  | 59  | 65,637  |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)             |     |         |
|  | 40  | 42,600  |
| RSC Equipment Rental, Inc. (b):                    |     |         |
| 10.00%, 7/15/17                                    | 100 | 115,000 |
| 8.25%, 2/01/21                                     | 98  | 103,635 |
| West Corp. (b):                                    |     |         |
| 8.63%, 10/01/18                                    | 130 | 137,800 |
| 7.88%, 1/15/19                                     | 30  | 30,788  |
|  |     | 933,585 |

**Construction Materials 1.3%**

|                      |     |         |
|----------------------|-----|---------|
| Nortek, Inc.:        |     |         |
| 11.00%, 12/01/13     | 377 | 401,149 |
| 10.00%, 12/01/18 (b) | 180 | 192,150 |
|                      |     | 593,299 |

**Consumer Finance 2.2%**

|   |     |           |
|---|-----|-----------|
| Credit Acceptance Corp., 9.13%, 2/01/17 |     |           |
|   | 120 | 129,300   |
| Ford Motor Credit Co. LLC:              |     |           |
| 3.05%, 1/13/12 (f)                      | 110 | 111,121   |
| 7.80%, 6/01/12                          | 500 | 533,222   |
| 6.63%, 8/15/17                          | 230 | 244,623   |
|   |     | 1,018,266 |

**Containers & Packaging 1.5%**

|  |     |         |
|--|-----|---------|
| Ball Corp., 6.75%, 9/15/20               |     |         |
|  | 85  | 89,038  |
| Berry Plastics Corp.:                    |     |         |
| 8.25%, 11/15/15                          | 25  | 26,781  |
| 9.75%, 1/15/21 (b)                       | 155 | 155,387 |
| Graham Packaging Co. LP, 8.25%, 10/01/18 |     |         |
|  | 40  | 43,100  |
| Graphic Packaging International, Inc.:   |     |         |
| 9.50%, 6/15/17                           | 160 | 177,600 |
| 7.88%, 10/01/18                          | 65  | 69,875  |
| Pregis Corp., 12.38%, 10/15/13           |     |         |
|  | 150 | 151,125 |
|  |     | 712,906 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock High Yield Trust (BHY)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Diversified Financial Services 7.0%</b>                       |              |           |
| Ally Financial, Inc.:  |              |           |
| 2.51%, 12/01/14 (f)  | \$ 73        | \$ 71,734 |
| 8.30%, 2/12/15   | 190          | 214,462   |
| 6.25%, 12/01/17 (b)  | 150          | 156,562   |
| 8.00%, 3/15/20   | 300          | 337,875   |
| 7.50%, 9/15/20 (b)   | 200          | 218,750   |
| 8.00%, 11/01/31  | 140          | 160,355   |
| 8.00%, 11/01/31  | 340          | 389,300   |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16               | 75           | 82,688    |
| CDX North America High Yield, Series 6-T1, 8.63%,<br>6/29/11 (b) | 435          | 446,658   |
| Leucadia National Corp.:   |              |           |
| 8.13%, 9/15/15   | 200          | 220,000   |
| 7.13%, 3/15/17   | 110          | 115,500   |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b)           | 250          | 266,250   |
| Reynolds Group Issuer, Inc. (b):                                 |              |           |
| 9.00%, 4/15/19   | 400          | 417,000   |
| 6.88%, 2/15/21   | 65           | 65,163    |
| 8.25%, 2/15/21   | 100          | 100,250   |
|  |              | 3,262,547 |
| <b>Diversified Telecommunication Services 3.7%</b>               |              |           |
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12               | 195          | 194,269   |
| Frontier Communications Corp.:                                   |              |           |
| 8.25%, 4/15/17   | 52           | 57,460    |
| 8.50%, 4/15/20   | 70           | 77,700    |
| GCI, Inc., 8.63%, 11/15/19                                       | 200          | 220,000   |
| Level 3 Financing, Inc., 8.75%, 2/15/17                          | 40           | 39,300    |
| Qwest Communications International, Inc.:                        |              |           |
| 7.50%, 2/15/14   | 685          | 695,275   |
| 8.00%, 10/01/15  | 100          | 109,125   |
| Series B, 7.50%, 2/15/14   | 235          | 238,525   |
| Windstream Corp.:  |              |           |
| 8.13%, 8/01/13   | 25           | 27,531    |
| 8.63%, 8/01/16   | 50           | 52,875    |
| 7.88%, 11/01/17  | 25           | 27,156    |
|  |              | 1,739,216 |
| <b>Electric Utilities 0.8%</b>                                   |              |           |
| Elwood Energy LLC, 8.16%, 7/05/26                                | 356          | 353,366   |
| <b>Energy Equipment &amp; Services 1.5%</b>                      |              |           |
| Bayou Well Services, 0.16%, 12/22/13                             | 100          | 100,000   |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                         | 40           | 41,000    |
| Compagnie Générale de Géophysique-Veritas:                       |              |           |

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|   |     |         |
|---|-----|---------|
| 7.50%, 5/15/15                                | 175 | 181,125 |
| 7.75%, 5/15/17                                | 65  | 68,737  |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)  | 75  | 76,875  |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)   | 105 | 108,675 |
| Precision Drilling Corp., 6.63%, 11/15/20 (b) | 20  | 20,650  |
| Thermon Industries, Inc., 9.50%, 5/01/17      | 90  | 97,425  |

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694,487

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**Food & Staples Retailing 0.4%**

|                                |     |         |
|--------------------------------|-----|---------|
| BI-LO LLC, 9.25%, 2/15/19 (b)  | 55  | 57,200  |
| Rite Aid Corp., 7.50%, 3/01/17 | 120 | 120,750 |

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177,950

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**Food Products 0.5%**

|  |     |         |
|--|-----|---------|
| Blue Merger Sub Inc., 7.63%, 2/15/19 (b)         | 170 | 171,700 |
| Darling International, Inc., 8.50%, 12/15/18 (b) | 40  | 43,150  |
| Smithfield Foods, Inc., 10.00%, 7/15/14          | 6   | 7,080   |

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221,930

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| Corporate Bonds | Par<br>(000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Health Care Equipment & Supplies 1.5%**

|                                       |        |            |
|---------------------------------------|--------|------------|
| DJO Finance LLC, 10.88%, 11/15/14     | \$ 410 | \$ 449,463 |
| Hologic, Inc., 2.00%, 12/15/37 (c)(g) | 240    | 231,300    |

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680,763

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**Health Care Providers & Services 5.3%**

|   |     |         |
|---|-----|---------|
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | 45  | 46,913  |
| ConvaTec Healthcare E SA, 10.50%, 12/15/18 (b)    | 200 | 213,500 |
| Gentiva Health Services Inc., 11.50%, 9/01/18     | 115 | 129,519 |
| HCA, Inc.:  |     |         |
| 9.13%, 11/15/14                                   | 265 | 277,919 |
| 8.50%, 4/15/19                                    | 205 | 229,600 |
| 7.25%, 9/15/20                                    | 340 | 366,775 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        | 95  | 97,613  |
| Omnicare, Inc.:                                   |     |         |
| 6.88%, 12/15/15                                   | 115 | 118,737 |
| 7.75%, 6/01/20                                    | 105 | 112,087 |
| Tenet Healthcare Corp.:                           |     |         |
| 9.00%, 5/01/15                                    | 279 | 306,900 |
| 10.00%, 5/01/18                                   | 259 | 304,325 |
| 8.88%, 7/01/19                                    | 245 | 278,687 |

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2,482,575

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**Health Care Technology 1.1%**

|                                       |     |         |
|---------------------------------------|-----|---------|
| IMS Health, Inc., 12.50%, 3/01/18 (b) | 410 | 480,725 |
| MedAssets, Inc., 8.00%, 11/15/18 (b)  | 25  | 25,688  |

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506,413

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**Hotels, Restaurants & Leisure 3.3%**

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|   |     |           |
|---|-----|-----------|
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)                            | 105 | 110,250   |
| Caesars Entertainment Operating Co., Inc., 10.00%,<br>12/15/18    | 625 | 587,500   |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)                       | 55  | 57,337    |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)                        | 200 | 214,500   |
| MGM Mirage, 13.00%, 11/15/13                                      | 25  | 29,937    |
| MGM Resorts International, 10.38%, 5/15/14                        | 465 | 520,800   |
| Palace Entertainment Holding LLC, 8.88%, 4/15/17 (b)              | 20  | 20,400    |
| Travelport LLC, 4.94%, 9/01/14 (f)                                | 25  | 22,313    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(h) | 25  | 3         |
|   |     | 1,563,040 |

**Household Durables 3.7%**

|  |     |           |
|--|-----|-----------|
| Ashton Woods USA LLC, 19.31%, 6/30/15 (b)(i)     | 145 | 94,250    |
| Beazer Homes USA, Inc.:<br>8.13%, 6/15/16        | 50  | 50,813    |
| 12.00%, 10/15/17                                 | 40  | 46,500    |
| 9.13%, 6/15/18                                   | 395 | 407,837   |
| Jarden Corp., 8.00%, 5/01/16                     | 40  | 43,800    |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16 | 300 | 325,125   |
| Ryland Group, Inc., 6.63%, 5/01/20               | 115 | 112,700   |
| Standard Pacific Corp.:<br>10.75%, 9/15/16       | 300 | 352,500   |
| 8.38%, 5/15/18                                   | 70  | 74,200    |
| 8.38%, 5/15/18 (b)                               | 80  | 84,800    |
| 8.38%, 1/15/21 (b)                               | 130 | 137,150   |
|  |     | 1,729,675 |

**IT Services 2.5%**

|   |     |         |
|---|-----|---------|
| First Data Corp. (b):<br>8.88%, 8/15/20       | 210 | 229,950 |
| 8.25%, 1/15/21                                | 292 | 290,540 |
| 12.63%, 1/15/21                               | 116 | 121,510 |
| iPayment, Inc., 9.75%, 5/15/14                | 120 | 118,950 |
| iPayment Investors LP, 11.63%, 7/15/14 (b)(j) | 104 | 96,715  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock High Yield Trust (BHY)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>IT Services (concluded)</b>                                   |              |            |
| SunGard Data Systems, Inc.:                                      |              |            |
| 10.63%, 5/15/15  | \$ 100       | \$ 110,750 |
| 7.38%, 11/15/18 (b)  | 80           | 82,600     |
| 7.63%, 11/15/20 (b)  | 100          | 103,250    |
|  |              | 1,154,265  |
| <b>Independent Power Producers &amp;<br/>Energy Traders 4.6%</b> |              |            |
| AES Red Oak LLC:   |              |            |
| Series A, 8.54%, 11/30/19  | 106          | 106,431    |
| Series B, 9.20%, 11/30/29  | 500          | 492,500    |
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (b)       | 220          | 238,700    |
| Calpine Corp. (b):   |              |            |
| 7.50%, 2/15/21   | 80           | 81,800     |
| 7.88%, 1/15/23   | 105          | 107,888    |
| Energy Future Holdings Corp., 10.25%, 1/15/20 (b)                | 575          | 598,777    |
| Energy Future Intermediate Holding Co. LLC, 10.00%,<br>12/01/20  | 28           | 29,228     |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                             | 455          | 473,769    |
|  |              | 2,129,093  |
| <b>Industrial Conglomerates 2.2%</b>                             |              |            |
| Sequa Corp. (b):   |              |            |
| 11.75%, 12/01/15   | 350          | 379,750    |
| 13.50%, 12/01/15 (j)   | 586          | 648,748    |
|  |              | 1,028,498  |
| <b>Insurance 0.3%</b>  |              |            |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)                    | 65           | 69,225     |
| USI Holdings Corp., 4.19%, 11/15/14 (b)(f)                       | 100          | 96,500     |
|  |              | 165,725    |
| <b>Machinery 1.8%</b>  |              |            |
| AGY Holding Corp., 11.00%, 11/15/14                              | 170          | 151,300    |
| Navistar International Corp.:                                    |              |            |
| 3.00%, 10/15/14 (c)  | 240          | 335,400    |
| 8.25%, 11/01/21  | 210          | 232,575    |
| Oshkosh Corp., 8.25%, 3/01/17                                    | 30           | 33,300     |
| Titan International, Inc., 5.63%, 1/15/17 (b)(c)                 | 40           | 104,200    |
|  |              | 856,775    |

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**Marine 0.5%**

|   |     |         |
|---|-----|---------|
| Horizon Lines, Inc., 4.25%, 8/15/12 (c) | 240 | 222,600 |
|---|-----|---------|

**Media 13.0%**

|   |     |           |
|---|-----|-----------|
| AMC Entertainment Holdings, Inc., 9.75%,<br>12/01/20 (b)    | 85  | 91,163    |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                   | 115 | 110,113   |
| CCH II LLC, 13.50%, 11/30/16                                | 169 | 204,098   |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (b)(f)                | 23  | 16,213    |
| CSC Holdings, Inc., 8.50%, 4/15/14                          | 80  | 89,600    |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | 245 | 254,187   |
| Checkout Holding Corp., 10.69%, 11/15/15 (b)(d)             | 145 | 93,525    |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)             | 45  | 48,263    |
| Clear Channel Communications Inc., 9.00%,<br>3/01/21 (b)    | 40  | 40,650    |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17  | 251 | 278,610   |
| Series B, 9.25%, 12/15/17                                   | 946 | 1,052,425 |
| Cox Enterprises, Inc.:                                      |     |           |
| Loan Close 2, 4.00%, 8/15/18                                | 123 | 123,474   |
| Loan Close 3, 12.00%, 8/15/18                               | 141 | 141,167   |
| Shares Loan, 4.00%, 8/15/18                                 | 146 | 145,593   |
| DISH DBS Corp., 7.00%, 10/01/13                             | 40  | 43,000    |
| Gannett Co., Inc., 10.00%, 4/01/16                          | 60  | 70,200    |
| Gray Television, Inc., 10.50%, 6/29/15                      | 250 | 265,625   |

| Corporate Bonds | Par<br>(000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

**Media (concluded)**

|   |       |           |
|---|-------|-----------|
| Harland Clarke Holdings Corp.:                      |       |           |
| 6.00%, 5/15/15 (f)                                  | \$ 50 | \$ 44,875 |
| 9.50%, 5/15/15                                      | 60    | 58,950    |
| Interactive Data Corp., 10.25%, 8/01/18 (b)         | 170   | 190,400   |
| Liberty Global, Inc., 4.50%, 11/15/16 (c)           | 60    | 103,950   |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b) | 135   | 139,050   |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (b) | 105   | 112,875   |
| The New York Times Co., 6.63%, 12/15/16 (b)         | 225   | 230,062   |
| Nielsen Finance LLC, 7.75%, 10/15/18 (b)            | 600   | 648,750   |
| ProQuest LLC, 9.00%, 10/15/18 (b)                   | 85    | 87,975    |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(b)(c)(h)     | 414   | 4,141     |
| Rainbow National Services LLC (b):                  |       |           |
| 8.75%, 9/01/12                                      | 310   | 311,162   |
| 10.38%, 9/01/14                                     | 378   | 393,592   |
| Regal Entertainment Group, 9.13%, 8/15/18           | 55    | 58,850    |
| Univision Communications, Inc., 7.88%, 11/01/20 (b) | 80    | 85,800    |
| UPC Germany GmbH, 8.13%, 12/01/17 (b)               | 400   | 429,000   |
| UPC Holding BV, 9.88%, 4/15/18 (b)                  | 100   | 111,000   |
|   |       | 6,078,338 |

**Metals & Mining 3.1%**

|   |     |         |
|---|-----|---------|
| Drummond Co., Inc.:   |     |         |
| 9.00%, 10/15/14 (b)   | 110 | 117,425 |
| 7.38%, 2/15/16  | 40  | 41,400  |
| FMG Resources August 2006 Property Ltd., 7.00%,<br>11/01/15 (b) | 245 | 254,187 |
| Goldcorp, Inc., 2.00%, 8/01/14 (c)                              | 85  | 106,994 |
| Newmont Mining Corp., Series A, 1.25%, 7/15/14 (c)              | 70  | 93,363  |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              | 585 | 644,962 |

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|                                       |    |           |
|---------------------------------------|----|-----------|
| Ryerson, Inc.:                        |    |           |
| 7.66%, 11/01/14 (f)                   | 60 | 57,600    |
| 12.00%, 11/01/15                      | 70 | 75,250    |
| Steel Dynamics, Inc., 7.38%, 11/01/12 | 50 | 53,125    |
|                                       |    | 1,444,306 |

**Multiline Retail 2.3%**

|   |     |           |
|---|-----|-----------|
| Dollar General Corp., 11.88%, 7/15/17 (j) | 929 | 1,074,156 |
|---|-----|-----------|

**Oil, Gas & Consumable Fuels 7.6%**

|  |     |         |
|--|-----|---------|
| Alpha Natural Resources Inc., 2.38%, 4/15/15 (c) | 40  | 52,250  |
| Arch Coal, Inc., 7.25%, 10/01/20                 | 145 | 154,063 |
| Berry Petroleum Co., 8.25%, 11/01/16             | 80  | 84,500  |
| Bill Barrett Corp., 9.88%, 7/15/16               | 5   | 5,600   |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)     | 40  | 42,500  |
| Chaparral Energy Inc., 8.25%, 9/01/21 (b)        | 40  | 40,700  |
| Chesapeake Energy Corp.:                         |     |         |
| 6.50%, 8/15/17                                   | 250 | 268,125 |
| 6.63%, 8/15/20                                   | 130 | 136,500 |
| 6.13%, 2/15/21                                   | 160 | 163,200 |
| 2.25%, 12/15/38 (c)                              | 125 | 114,375 |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)    | 45  | 49,050  |
| Concho Resources Inc., 7.00%, 1/15/21            | 70  | 73,325  |
| Connacher Oil and Gas Ltd. (b):                  |     |         |
| 11.75%, 7/15/14                                  | 30  | 32,475  |
| 10.25%, 12/15/15                                 | 170 | 179,775 |
| Consol Energy, Inc., 8.25%, 4/01/20              | 335 | 369,337 |
| Continental Resources, Inc., 7.13%, 4/01/21 (b)  | 60  | 63,900  |
| Crosstex Energy LP, 8.88%, 2/15/18               | 30  | 33,075  |
| Denbury Resources, Inc.:                         |     |         |
| 6.38%, 8/15/21                                   | 60  | 60,600  |
| 8.25%, 2/15/20                                   | 119 | 132,388 |
| Energy Transfer Equity LP, 7.50%, 10/15/20       | 20  | 21,675  |
| Energy XXI Gulf Coast, Inc. (b):                 |     |         |
| 9.25%, 12/15/17                                  | 70  | 75,250  |
| 7.75%, 6/15/19                                   | 85  | 85,850  |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)          | 130 | 137,150 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock High Yield Trust (BHY)**  
 (Percentages shown are based on Net Assets)

| Corporate Bonds                                      | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>   |              |           |
| Linn Energy LLC (b):                                 |              |           |
| 8.63%, 4/15/20                                       | \$ 50        | \$ 55,750 |
| 7.75%, 2/01/21                                       | 100          | 106,250   |
| MarkWest Energy Partners LP, 6.75%, 11/01/20         | 45           | 46,125    |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)         | 320          | 348,800   |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)            | 40           | 40,600    |
| Overseas Shipholding Group, Inc., 7.50%, 2/15/24     | 350          | 306,250   |
| Peabody Energy Corp., 6.50%, 9/15/20                 | 70           | 74,900    |
| Petrohawk Energy Corp.:                              |              |           |
| 10.50%, 8/01/14                                      | 65           | 74,750    |
| 7.88%, 6/01/15                                       | 15           | 15,900    |
| Range Resources Corp., 8.00%, 5/15/19                | 25           | 27,531    |
| SM Energy Co., 6.63%, 2/15/19 (b)                    | 45           | 45,506    |
| United Refining Co., 10.50%, 2/28/18 (b)(e)          | 40           | 39,600    |
|  |              | 3,557,625 |
| <b>Paper &amp; Forest Products 3.0%</b>              |              |           |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(j)    | 21           | 21,066    |
| Boise Paper Holdings LLC:                            |              |           |
| 9.00%, 11/01/17                                      | 55           | 61,325    |
| 8.00%, 4/01/20                                       | 30           | 33,075    |
| Catalyst Paper Corp., 7.38%, 3/01/14                 | 120          | 103,800   |
| Clearwater Paper Corp.:                              |              |           |
| 10.63%, 6/15/16                                      | 70           | 79,975    |
| 7.13%, 11/01/18 (b)                                  | 95           | 98,563    |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b)              | 285          | 321,338   |
| NewPage Corp., 11.38%, 12/31/14                      | 465          | 463,837   |
| Verso Paper Holdings LLC:                            |              |           |
| 11.50%, 7/01/14                                      | 150          | 165,375   |
| 8.75%, 2/01/19 (b)                                   | 40           | 41,800    |
|  |              | 1,390,154 |
| <b>Pharmaceuticals 0.7%</b>                          |              |           |
| Angiotech Pharmaceuticals, Inc., 4.06%, 12/01/13 (f) | 165          | 138,600   |
| Grifols, Inc., 8.25%, 2/01/18 (b)                    | 20           | 20,550    |
| Valeant Pharmaceuticals International (b):           |              |           |
| 6.75%, 10/01/17                                      | 65           | 67,275    |
| 7.00%, 10/01/20                                      | 80           | 82,700    |
|  |              | 309,125   |
| <b>Professional Services 0.5%</b>                    |              |           |
| FTI Consulting, Inc.:                                |              |           |
| 7.75%, 10/01/16                                      | 100          | 104,875   |
| 6.75%, 10/01/20 (b)                                  | 150          | 150,000   |
|  |              | 150,000   |

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|  |                      |              |
|--|----------------------|--------------|
|  |                      | 254,875      |
| <b>Real Estate Investment Trusts (REITs) 0.4%</b>        |                      |              |
| Omega Healthcare Investors, Inc., 6.75%, 10/15/22 (b)    | 90                   | 90,900       |
| The Rouse Co. LP, 6.75%, 11/09/15                        | 85                   | 89,038       |
|  |                      | 179,938      |
| <b>Real Estate Management &amp; Development 1.3%</b>     |                      |              |
| CB Richard Ellis Services Inc., 6.63%, 10/15/20          | 55                   | 56,719       |
| Realogy Corp. (b):                                       |                      |              |
| 11.50%, 4/15/17  | 130                  | 138,450      |
| 7.88%, 2/15/19   | 435                  | 436,631      |
|  |                      | 631,800      |
| <b>Road &amp; Rail 1.3%</b>                              |                      |              |
| Avis Budget Car Rental LLC:                              |                      |              |
| 9.63%, 3/15/18   | 85                   | 94,988       |
| 8.25%, 1/15/19   | 130                  | 137,963      |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (b)     | 80                   | 83,600       |
| The Hertz Corp. (b):                                     |                      |              |
| 7.50%, 10/15/18  | 150                  | 158,812      |
| 6.75%, 4/15/19   | 70                   | 71,400       |
| 7.38%, 1/15/21   | 80                   | 83,600       |
|  |                      | 630,363      |
| <b>Corporate Bonds</b>                                   |                      |              |
|  | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b> |                      |              |
| Linear Technology Corp., Series A, 3.00%, 5/01/27 (c)    | \$ 70                | \$ 76,213    |
| Spansion LLC, 7.88%, 11/15/17 (b)                        | 50                   | 51,000       |
|  |                      | 127,213      |
| <b>Specialty Retail 1.5%</b>                             |                      |              |
| Asbury Automotive Group, Inc.:                           |                      |              |
| 7.63%, 3/15/17   | 60                   | 61,500       |
| 8.38%, 11/15/20 (b)                                      | 55                   | 57,750       |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(e)             | 50                   | 50,188       |
| Limited Brands, Inc., 8.50%, 6/15/19                     | 140                  | 160,300      |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b)         | 75                   | 81,000       |
| Sonic Automotive, Inc., 9.00%, 3/15/18                   | 65                   | 69,550       |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (b)             | 70                   | 73,762       |
| United Auto Group, Inc., 7.75%, 12/15/16                 | 165                  | 170,362      |
|  |                      | 724,412      |
| <b>Trading Companies &amp; Distributors 0.3%</b>         |                      |              |
| Russel Metals, Inc., 6.38%, 3/01/14                      | 125                  | 126,250      |
| <b>Wireless Telecommunication Services 3.2%</b>          |                      |              |
| Clearwire Communications LLC (b):                        |                      |              |
| 12.00%, 12/01/15   | 20                   | 21,800       |
| 12.00%, 12/01/17   | 25                   | 27,000       |

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|   |     |         |
|---|-----|---------|
| Cricket Communications, Inc.:                     |     |         |
| 10.00%, 7/15/15                                   | 95  | 104,737 |
| 7.75%, 5/15/16                                    | 270 | 285,525 |
| Digicel Group Ltd. (b):                           |     |         |
| 9.13%, 1/15/15 (j)                                | 294 | 306,201 |
| 8.25%, 9/01/17                                    | 230 | 240,350 |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (b) | 110 | 113,025 |
| iPCS, Inc., 2.43%, 5/01/13 (f)                    | 110 | 108,625 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20          | 100 | 97,375  |
| Sprint Capital Corp., 6.88%, 11/15/28             | 160 | 144,200 |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)      | 40  | 43,200  |

1,492,038

**Total Corporate Bonds 97.7%** 45,580,695

**Floating Rate Loan Interests (f)**

**Building Products 0.1%**

|  |    |        |
|--|----|--------|
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/13/17 | 25 | 25,766 |
|--|----|--------|

**Commercial Services & Supplies 0.8%**

|  |     |         |
|--|-----|---------|
| AWAS Finance Luxembourg Sarl, Term Loan B, 7.75%, 6/10/16                        | 120 | 123,225 |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16                                | 100 | 100,857 |
| Volume Services America, Inc. (Centerplate), Term Loan B, 10.50% 10.75%, 8/24/16 | 165 | 166,164 |

390,246

**Construction & Engineering 0.5%**

|   |     |         |
|---|-----|---------|
| Safeway Services, LLC, Last Out Term Loan, 15.63%, 12/14/17 | 250 | 250,000 |
|---|-----|---------|

**Consumer Finance 1.6%**

|  |     |         |
|--|-----|---------|
| Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 7.25%, 4/21/15 | 750 | 756,675 |
|--|-----|---------|

**Electric Utilities 0.1%**

|  |    |        |
|--|----|--------|
| New Development Holdings, LLC, Term Loan, 7.00%, 7/03/17 | 23 | 23,389 |
|--|----|--------|

**Food Products 0.3%**

|  |     |         |
|--|-----|---------|
| Advance Pierre Foods, Term Loan, 11.25%, 9/29/17 | 135 | 138,375 |
|--|-----|---------|

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock High Yield Trust (BHY)**  
(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (f)   | Par<br>(000) | Value            |
|--|--------------|------------------|
| <b>Health Care Providers &amp; Services 0.8%</b>   |              |                  |
| Harden Healthcare, Inc.:   |              |                  |
| Tranche A Additional Term Loan, 7.75%, 3/02/15   | \$ 95        | \$ 93,100        |
| Tranche A Term Loan, 8.50%, 2/22/15  | 77           | 74,989           |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term<br>Loan B, 6.50%, 7/31/16                           | 199          | 199,871          |
|  |              | <u>367,960</u>   |
| <b>Hotels, Restaurants &amp; Leisure 0.8%</b>  |              |                  |
| Harrah's Operating Co., Inc., Term Loan B-3, 3.30%,<br>1/28/15   |              |                  |
|  | 75           | 69,635           |
| Travelport LLC (FKA Travelport, Inc.), Loan, 8.31%,<br>3/27/12 (i)   | 347          | 309,321          |
|  |              | <u>378,956</u>   |
| <b>Household Durables 0.8%</b>   |              |                  |
| Visant Corp. (FKA Jostens):  |              |                  |
| Term Loan, 5.25%, 12/22/16   | 165          | 165,000          |
| Tranche B Term Loan, 7.00%, 12/20/16   | 200          | 201,285          |
|  |              | <u>366,285</u>   |
| <b>IT Services 0.5%</b>  |              |                  |
| First Data Corp.:  |              |                  |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14  | 29           | 27,212           |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14  | 67           | 63,503           |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14  | 177          | 167,447          |
|  |              | <u>258,162</u>   |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.9%</b>   |              |                  |
| Texas Competitive Electric Holdings Co., LLC (TXU):  |              |                  |
| Initial Tranche B-2 Term Loan, 3.76% 3.80%,<br>10/10/14  | 141          | 119,167          |
| Initial Tranche B-3 Term Loan, 3.76% 3.80%,<br>10/10/14  | 385          | 323,497          |
|  |              | <u>442,664</u>   |
| <b>Media 4.4%</b>  |              |                  |
| Cengage Learning Acquisitions, Inc. (Thomson Learning),<br>Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 |              |                  |
|  | 244          | 244,847          |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 6.01%,<br>6/12/14   | 147          | 139,610          |
|  | <u>1,250</u> | <u>1,258,398</u> |

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|   |     |           |
|---|-----|-----------|
| IntelSat Jackson Holdings SA (FKA Intel Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 3/07/18 |     |           |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13   | 375 | 398,672   |
|   |     | 2,041,527 |

**Metals & Mining 0.1%**

|  |    |        |
|--|----|--------|
| Euramax International, Inc., Domestic Term Loan: |    |        |
| 10.00%, 6/29/13                                  | 26 | 24,880 |
| 14.00%, 6/29/13                                  | 25 | 23,884 |
|  |    | 48,764 |

**Oil, Gas & Consumable Fuels 0.9%**

|  |     |         |
|--|-----|---------|
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 | 389 | 398,811 |
|--|-----|---------|

**Paper & Forest Products 0.4%**

|  |     |         |
|--|-----|---------|
| Verso Paper Finance Holdings LLC, 6.55% 7.30%, 2/01/13 (j) | 212 | 191,135 |
|--|-----|---------|

**Real Estate Investment Trusts (REITs) 0.1%**

|   |    |        |
|---|----|--------|
| iStar Financial, Inc., Term Loan (Second Lien), 6/28/11 | 50 | 49,312 |
|---|----|--------|

**Real Estate Management & Development 0.4%**

|   |     |         |
|---|-----|---------|
| Realogy Corp.:  |     |         |
| Extended Synthetic Letter of Credit Loan, 0.11%, 10/16/16 | 21  | 19,953  |
| Extended Term Loan B, 4.56%, 10/16/16                     | 176 | 168,367 |
|   |     | 188,320 |

| Floating Rate Loan Interests (f)                               | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Specialty Retail 0.1%</b>                                   |              |           |
| Claire's Stores, Inc., Term Loan B, 3.01% 5.00%, 5/29/14       | \$ 29        | \$ 28,628 |
| <b>Wireless Telecommunication Services 0.6%</b>                |              |           |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15 | 259          | 267,892   |
| <b>Total Floating Rate Loan Interests 14.2%</b>                |              | 6,612,867 |

| Other Interests (k)         | Beneficial<br>Interest<br>(000) |
|-----------------------------|---------------------------------|
| <b>Auto Components 2.0%</b> | (l) 918,325                     |

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Delphi Debtor-in-Possession Holding Co. LLP, Class B  
Membership Interests

|   |             |   |     |
|---|-------------|---|-----|
| <b>Health Care Providers &amp; Services</b> | <b>0.0%</b> |   |     |
| Critical Care Systems International, Inc.   |             | 5 | 477 |

|                              |             |  |         |
|------------------------------|-------------|--|---------|
| <b>Total Other Interests</b> | <b>2.0%</b> |  | 918,802 |
|------------------------------|-------------|--|---------|

|                         |  |  |               |
|-------------------------|--|--|---------------|
| <b>Preferred Stocks</b> |  |  | <b>Shares</b> |
|-------------------------|--|--|---------------|

|                           |             |       |         |
|---------------------------|-------------|-------|---------|
| <b>Automobiles</b>        | <b>0.7%</b> |       |         |
| General Motors Co., 4.75% |             | 7,140 | 363,283 |

|   |             |       |  |
|---|-------------|-------|--|
| <b>Media</b>  | <b>0.0%</b> |       |  |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b) |             | 5,410 |  |

|                                   |             |     |        |
|-----------------------------------|-------------|-----|--------|
| <b>Professional Services</b>      | <b>0.1%</b> |     |        |
| Nielsen Holdings NV, 6.25% (a)(c) |             | 750 | 41,391 |

|                               |             |  |         |
|-------------------------------|-------------|--|---------|
| <b>Total Preferred Stocks</b> | <b>0.8%</b> |  | 404,674 |
|-------------------------------|-------------|--|---------|

**Warrants (m)**

|   |             |        |  |
|---|-------------|--------|--|
| <b>Diversified Telecommunication Services</b> | <b>0.0%</b> |        |  |
| NEON Communications, Inc. (Expires 12/02/12)  |             | 53,622 |  |

|   |             |       |  |
|---|-------------|-------|--|
| <b>Media</b>  | <b>0.0%</b> |       |  |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (b) |             | 6,182 |  |

|  |             |       |   |
|--|-------------|-------|---|
| <b>Software</b>  | <b>0.0%</b> |       |   |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17) |             | 61    | 1 |
| HMH Holdings/EduMedia (Expires 3/09/17)                    |             | 1,184 |   |

1

|                       |             |  |   |
|-----------------------|-------------|--|---|
| <b>Total Warrants</b> | <b>0.0%</b> |  | 1 |
|-----------------------|-------------|--|---|

|   |               |  |            |
|---|---------------|--|------------|
| <b>Total Long-Term Investments</b><br>(Cost \$50,434,626) | <b>115.2%</b> |  | 53,751,262 |
|---|---------------|--|------------|

**Short-Term Securities**

|   |  |           |           |
|---|--|-----------|-----------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (n)(o) |  | 1,590,898 | 1,590,898 |
|---|--|-----------|-----------|

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**Total Short-Term Securities**  
(Cost \$1,590,898) 3.4%

1,590,898

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See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock High Yield Trust (BHY)**  
(Percentages shown are based on Net Assets)

| Options Purchased   | Contracts | Value                |
|---|-----------|----------------------|
| <b>Over-the-Counter Call Options 0.0%</b>   |           |                      |
| Marsico Parent Superholdco LLC, Strike Price \$942.86,<br>Expires 12/01/19, Broker Goldman Sachs Bank USA | 3         |                      |
| <b>Total Options Purchased (Cost \$2,933) 0.0%</b>  |           |                      |
| <b>Total Investments (Cost \$52,028,457*) 118.6%</b>  |           | 55,342,160           |
| <b>Liabilities in Excess of Other Assets (18.6)%</b>  |           | (8,696,075)          |
| <b>Net Assets 100.0%</b>  |           | <u>\$ 46,646,085</u> |

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

|                               |                      |
|-------------------------------|----------------------|
| Aggregate cost                | <u>\$ 52,087,055</u> |
| Gross unrealized appreciation | \$ 3,792,332         |
| Gross unrealized depreciation | (537,227)            |
| Net unrealized appreciation   | <u>\$ 3,255,105</u>  |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Convertible security.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value     | Unrealized<br>Appreciation |
|-----------------------------|-----------|----------------------------|
| Bank of America NA          | \$ 20,350 | \$ 217                     |
| Credit Suisse International | \$ 89,788 | \$ 1,210                   |
| Sterne Agee                 | \$ 10,175 | \$ 108                     |



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

| Affiliate  | Shares Held at<br>at August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--|---|-----------------|--|----------|
| BlackRock Liquidity Funds,<br>TempFund,<br>Institutional Class | 1,573,222                               | 17,676          | 1,590,898                              | \$ 1,627 |

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

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

| Issuer                            | Pay<br>Fixed<br>Rate | Counterparty              | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|-----------------------------------|----------------------|---------------------------|--------------------|-----------------------------|----------------------------|
| Harrah's Operating<br>Co., Inc.   | 5.00%                | Deutsche<br>Bank AG       | 12/20/15           | \$ 225                      | \$ (31,390)                |
| K. Hovnanian<br>Enterprises, Inc. | 5.00%                | JPMorgan<br>Chase Bank NA | 12/20/15           | \$ 125                      | (19,855)                   |
| Republic of<br>Hungary            | 1.00%                | Deutsche<br>Bank AG       | 12/20/15           | \$ 50                       | (906)                      |
| Israel (State of)                 | 1.00%                | Deutsche<br>Bank AG       | 3/20/16            | \$ 100                      | (384)                      |
| The New York<br>Times Co.         | 1.00%                | Barclays<br>Bank Plc      | 12/20/16           | \$ 225                      | (4,344)                    |

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**Total** \$ (56,879)

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

| Issuer                  | Receive Fixed Rate | Counterparty                | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|-------------------------|--------------------|-----------------------------|-----------------|-----------------------------------|------------------------------------|-------------------------|
| D.R. Horton, Inc.       | 1.00%              | JPMorgan Chase Bank NA      | 12/20/15        | BB                                | \$ 50                              | \$ 1,538                |
| M.D.C. Holdings, Inc.   | 1.00%              | Deutsche Bank AG            | 12/20/15        | BBB                               | \$ 55                              | 528                     |
| M.D.C. Holdings, Inc.   | 1.00%              | JPMorgan Chase Bank NA      | 12/20/15        | BBB                               | \$ 55                              | 298                     |
| Realogy Corp.           | 5.00%              | JPMorgan Chase Bank NA      | 12/20/15        | CC                                | \$ 75                              | 5,418                   |
| Realogy Corp.           | 5.00%              | JPMorgan Chase Bank NA      | 12/20/15        | CC                                | \$ 50                              | 1,594                   |
| Chesapeake Energy Corp. | 5.00%              | Credit Suisse International | 3/20/16         | BB                                | \$ 50                              | 937                     |
| Chesapeake Energy Corp. | 5.00%              | Goldman Sachs Bank USA      | 3/20/16         | BB                                | \$ 75                              | 834                     |
| Chesapeake Energy Corp. | 5.00%              | JPMorgan Chase Bank NA      | 3/20/16         | BB                                | \$ 50                              | 937                     |
| Realogy Corp.           | 5.00%              | JPMorgan Chase Bank NA      | 3/20/16         | CC                                | \$ 25                              | 105                     |
| <b>Total</b>            |                    |                             |                 |                                   |                                    | <b>\$ 12,189</b>        |

<sup>1</sup> Using Standard and Poor's rating.

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

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

| Index   | Receive Fixed Rate | Counterparty     | Expiration Date | Credit Rating <sup>3</sup> | Notional Amount (000) <sup>4</sup> | Unrealized Depreciation |
|---|--------------------|------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index Series 9 | 0.00%              | Deutsche Bank AG | 12/20/12        | CCC                        | \$ 68                              | \$ (2,649)              |

<sup>3</sup> Using Standard and Poor's rating of the underlying securities.

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<sup>4</sup> The maximum potential amount the Trust may pay should a negative event take place as defined under the terms of agreement.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock High Yield Trust (BHY)

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

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

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

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

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

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

| Valuation Inputs             | Level 1             | Level 2              | Level 3             | Total                |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| <b>Assets:</b>               |                     |                      |                     |                      |
| Investments in Securities:   |                     |                      |                     |                      |
| Long-Term Investments:       |                     |                      |                     |                      |
| Common Stocks                | \$ 157,741          | \$ 8,602             | \$ 67,880           | \$ 234,223           |
| Corporate Bonds              |                     | 44,371,549           | 1,209,146           | 45,580,695           |
| Floating Rate Loan Interests |                     | 5,198,565            | 1,414,302           | 6,612,867            |
| Other Interests              |                     | 918,325              | 477                 | 918,802              |
| Preferred Stocks             | 363,283             | 41,391               |                     | 404,674              |
| Warrants                     |                     |                      | 1                   | 1                    |
| Short-Term Securities        | 1,590,898           |                      |                     | 1,590,898            |
| <b>Liabilities:</b>          |                     |                      |                     |                      |
| Unfunded Loan Commitments    |                     |                      | (2,182)             | (2,182)              |
| <b>Total</b>                 | <b>\$ 2,111,922</b> | <b>\$ 50,538,432</b> | <b>\$ 2,689,624</b> | <b>\$ 55,339,978</b> |

Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs    | Level 1 | Level 2  | Level 3 | Total    |
|---------------------|---------|----------|---------|----------|
| <b>Assets:</b>      |         |          |         |          |
| Credit contracts    | \$      | 12,189   | \$      | 12,189   |
| <b>Liabilities:</b> |         |          |         |          |
| Credit contracts    |         | (59,528) |         | (59,528) |

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|              |             |             |
|--------------|-------------|-------------|
| <b>Total</b> | \$ (47,339) | \$ (47,339) |
|--------------|-------------|-------------|

<sup>1</sup> Derivative financial instruments are swaps and options. Swaps are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

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

|   | <b>Common<br/>Stocks</b> | <b>Corporate<br/>Bonds</b> | <b>Floating Rate<br/>Loan<br/>Interests</b> | <b>Other<br/>Interests</b> | <b>Preferred<br/>Stocks</b> | <b>Warrants</b> | <b>Unfunded<br/>Loan<br/>Commitments<br/>(Liabilities)</b> | <b>Total</b>        |
|---|--------------------------|----------------------------|---|----------------------------|-----------------------------|-----------------|--|---------------------|
| <b>Assets/Liabilities:</b>                                      |                          |                            |   |                            |                             |                 |  |                     |
| Balance, as of August 31, 2010                                  | \$ 86,010                | \$ 1,514,877               | \$ 1,544,738                                | \$ 953                     | \$ 85,806                   | \$ 1            | \$ (4,001)   | \$ 3,228,384        |
| Accrued discounts/premiums                                      |                          | 63,747                     | 125,907                                     |                            |                             |                 |  | 189,654             |
| Net realized gain (loss)  | (428,771)                | (1,560,455)                | 8,662                                       |                            | 170,964                     |                 |  | (1,809,600)         |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 488,794                  | 1,166,750                  | (619,990)                                   | (476)                      | (17,420)                    |                 | 1,819  | 1,019,477           |
| Purchases   |                          | 100,000                    | 534,789                                     |                            |                             |                 |  | 634,789             |
| Sales   | (78,153)                 | (59,560)                   | (40,194)                                    |                            | (239,350)                   |                 |  | (417,257)           |
| Transfers in <sup>3</sup>                                       |                          |                            | 28,628                                      |                            |                             |                 |  | 28,628              |
| Transfers out <sup>3</sup>                                      |                          | (16,213)                   | (168,238)                                   |                            |                             |                 |  | (184,451)           |
| <b>Balance, as of February 28, 2011</b>                         | <b>\$ 67,880</b>         | <b>\$ 1,209,146</b>        | <b>\$ 1,414,302</b>                         | <b>\$ 477</b>              |                             | <b>\$ 1</b>     | <b>\$ (2,182)</b>  | <b>\$ 2,689,624</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$1,018,628.

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

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Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock Income Opportunity Trust, Inc. (BNA)**  
(Percentages shown are based on Net Assets)

| Asset-Backed Securities                                    |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>321 Henderson Receivables I LLC (a):</b>                |     |              |              |
| Series 2010-1A, Class B, 9.31%, 7/15/61                    | USD | 1,150        | \$ 1,218,578 |
| Series 2010-3A, Class A, 3.82%, 12/15/48                   |     | 872          | 843,744      |
| <b>Ameritrust Mortgage Securities, Inc., Series</b>        |     |              |              |
| 2004-R11, Class A1, 0.56%, 11/25/34 (b)                    |     | 733          | 674,781      |
| <b>Capital One Multi-Asset Execution Trust, Series</b>     |     |              |              |
| 2006-A5, Class A5, 0.33%, 1/15/16 (b)                      |     | 350          | 347,911      |
| <b>Credit Acceptance Auto Loan Trust, Series 2010-1,</b>   |     |              |              |
| Class B, 3.63%, 10/15/18 (a)                               |     | 1,970        | 1,968,924    |
| <b>Globaldrive BV, Series 2008-2, Class A, 4.00%,</b>      |     |              |              |
| 10/20/16   | EUR | 563          | 785,610      |
| <b>Home Equity Asset Trust, Series 2007-2, Class 2A1,</b>  |     |              |              |
| 0.37%, 7/25/37 (b)   | USD | 259          | 251,786      |
| <b>Maryland Insurance Backed Securities Trust, Series</b>  |     |              |              |
| 2006-1A, Class A, 5.55%, 12/10/65                          |     | 2,500        | 1,675,000    |
| <b>Nelnet Student Loan Trust, Series 2008-3, Class A4,</b> |     |              |              |
| 4.61%, 11/25/24 (b)  |     | 650          | 674,809      |
| <b>SLC Student Loan Trust, Series 2006-A, Class A4,</b>    |     |              |              |
| 0.42%, 1/15/19 (b)   |     | 460          | 447,017      |
| <b>SLM Student Loan Trust, Series 2008-5 (b):</b>          |     |              |              |
| Class A3, 1.60%, 1/25/18                                   |     | 1,170        | 1,202,450    |
| Class A4, 2.00%, 7/25/23                                   |     | 3,690        | 3,859,170    |
| <b>Santander Consumer Acquired Receivables Trust,</b>      |     |              |              |
| Series 2011-WO, Class C, 3.19%, 10/15/15 (a)               |     | 575          | 573,965      |
| <b>Santander Drive Auto Receivables Trust:</b>             |     |              |              |
| Series 2010-2, Class B, 2.24%, 12/15/14                    |     | 870          | 872,540      |
| Series 2010-2, Class C, 3.89%, 7/17/17                     |     | 1,020        | 1,050,398    |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)                 |     | 700          | 701,209      |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)                |     | 735          | 735,704      |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)               |     | 597          | 596,574      |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)               |     | 610          | 610,000      |
| <b>Small Business Administration Participation</b>         |     |              |              |
| Certificates, Series 1996-20K, Class 1, 6.95%,<br>11/01/16 |     | 310          | 330,824      |
|  |     |              | 19,420,994   |
| <b>Interest Only 0.2%</b>                                  |     |              |              |
| <b>Sterling Bank Trust, Series 2004-2, Class Note,</b>     |     |              |              |
| 2.08%, 3/30/30 (a)   |     | 4,772        | 307,284      |
| <b>Sterling Coofs Trust, Series 1, 2.36%, 4/15/29</b>      |     |              |              |
|  |     | 7            | 512,668      |
|  |     |              | 819,952      |
| <b>Total Asset-Backed Securities 5.6%</b>                  |     |              | 20,240,946   |

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| Common Stocks                             | Shares |            |
|---|--------|------------|
| <b>Software 0.0%</b>                      |        |            |
| Bankruptcy Management Solutions, Inc. (c) | 152    | 532        |
| <b>Total Common Stocks 0.0%</b>           |        | <b>532</b> |

| Corporate Bonds                     | Par<br>(000) |  |                  |
|-------------------------------------|--------------|--|------------------|
| <b>Aerospace &amp; Defense 0.6%</b> |              |  |                  |
| United Technologies Corp.:          |              |  |                  |
| 4.88%, 5/01/15                      | USD 1,250    |  | 1,379,085        |
| 6.13%, 7/15/38                      | 750          |  | 839,523          |
|                                     |              |  | <u>2,218,608</u> |

| Corporate Bonds  | Par<br>(000) |    | Value            |
|--|--------------|----|------------------|
| <b>Airlines 0.4%</b>   |              |    |                  |
| Continental Airlines, Inc., Series 2010-1-B, 6.00%,<br>7/12/20 |              |    |                  |
|  | USD 700      | \$ | 698,250          |
| United Air Lines, Inc., 12.75%, 7/15/12                        | 786          |    | 877,979          |
|  |              |    | <u>1,576,229</u> |

|                                      |       |  |                  |
|--------------------------------------|-------|--|------------------|
| <b>Auto Components 0.4%</b>          |       |  |                  |
| BorgWarner, Inc., 4.63%, 9/15/20     |       |  |                  |
|                                      | 265   |  | 266,315          |
| Icahn Enterprises LP, 8.00%, 1/15/18 | 1,000 |  | 1,035,000        |
|                                      |       |  | <u>1,301,315</u> |

|  |       |  |           |
|--|-------|--|-----------|
| <b>Beverages 1.1%</b>  |       |  |           |
| Anheuser-Busch InBev Worldwide, Inc., 7.75%,<br>1/15/19 (a)(d) |       |  |           |
|  | 3,050 |  | 3,781,201 |

|                                |       |  |           |
|--------------------------------|-------|--|-----------|
| <b>Capital Markets 4.7%</b>    |       |  |           |
| CDP Financial, Inc. (a)(d)(e): |       |  |           |
| 3.00%, 11/25/14                | 1,950 |  | 1,986,266 |
| 5.60%, 11/25/39                | 2,955 |  | 3,062,515 |
| Credit Suisse, Inc. (USA):     |       |  |           |
| 6.13%, 11/15/11                | 700   |  | 727,259   |
| 7.13%, 7/15/32                 | 1,000 |  | 1,188,026 |
| The Goldman Sachs Group, Inc.: |       |  |           |
| 6.60%, 1/15/12                 | 1,000 |  | 1,050,984 |
| 3.70%, 8/01/15                 | 800   |  | 811,063   |
| 5.38%, 3/15/20                 | 1,720 |  | 1,767,161 |
| 6.00%, 6/15/20                 | 860   |  | 922,081   |
| 6.25%, 2/01/41                 | 340   |  | 346,004   |
|                                | 225   |  | 22        |

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|  |       |            |
|--|-------|------------|
| Lehman Brothers Holdings, Inc., 6.50%,<br>7/19/17 (c)(f)       |       |            |
| <b>Morgan Stanley:</b>   |       |            |
| 2.81%, 5/14/13 (b)   | 1,880 | 1,945,366  |
| 4.20%, 11/20/14  | 680   | 706,005    |
| 4.00%, 7/24/15   | 400   | 409,540    |
| 6.25%, 8/28/17   | 900   | 983,032    |
| 5.63%, 9/23/19 (d)   | 760   | 780,714    |
| Nomura Holdings, Inc., 4.13%, 1/19/16                          | 389   | 387,269    |
|  |       | 17,073,307 |
| <b>Chemicals 1.0%</b>  |       |            |
| American Pacific Corp., 9.00%, 2/01/15                         | 280   | 275,100    |
| CF Industries, Inc., 7.13%, 5/01/20                            | 1,750 | 1,964,375  |
| The Dow Chemical Co., 4.25%, 11/15/20                          | 185   | 178,283    |
| Nalco Co., 6.63%, 1/15/19 (a)                                  | 1,000 | 1,033,750  |
|  |       | 3,451,508  |
| <b>Commercial Banks 8.0%</b>                                   |       |            |
| BNP Paribas Home Loan Covered Bonds SA, 2.20%,<br>11/02/15 (a) | 3,125 | 2,996,316  |
| Bank of Nova Scotia, 1.65%, 10/29/15 (a)                       | 4,775 | 4,585,584  |
| <b>CIT Group, Inc.:</b>  |       |            |
| 7.00%, 5/01/16   | 110   | 110,963    |
| 7.00%, 5/01/17   | 1,790 | 1,803,425  |
| Canadian Imperial Bank of Commerce, 2.75%,<br>1/27/16 (a)      | 1,485 | 1,483,895  |
| DEPFA ACS Bank, 5.13%, 3/16/37 (a)                             | 4,150 | 2,721,765  |
| Discover Bank, 8.70%, 11/18/19                                 | 1,045 | 1,257,230  |
| DnB NOR Boligkredditt, 2.10%, 10/14/15 (a)                     | 4,005 | 3,844,888  |
| <b>Ekspportfinans ASA:</b>                                     |       |            |
| 2.00%, 9/15/15 (d)   | 2,440 | 2,379,195  |
| 5.50%, 6/26/17   | 1,000 | 1,119,819  |
| HSBC Holdings Plc, 6.50%, 5/02/36 (d)                          | 1,275 | 1,319,679  |
| Royal Bank of Canada, 3.13%, 4/14/15 (a)                       | 3,855 | 3,952,219  |
| Sparebanken 1 Boligkredditt, 1.25%, 10/25/13 (a)               | 1,575 | 1,560,209  |
|  |       | 29,135,187 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| Corporate Bonds   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Commercial Services &amp; Supplies 0.8%</b>          |     |              |            |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)         | USD | 250          | \$ 256,875 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a)                  |     | 1,320        | 1,405,800  |
| RR Donnelley & Sons Co., 7.63%, 6/15/20                 |     | 169          | 177,152    |
| West Corp. (a):   |     |              |            |
| 8.63%, 10/01/18   |     | 770          | 816,200    |
| 7.88%, 1/15/19  |     | 255          | 261,694    |
|   |     |              | 2,917,721  |
| <b>Construction Materials 0.5%</b>                      |     |              |            |
| Inversiones CMPC SA, 4.75%, 1/19/18 (a)                 |     | 220          | 211,666    |
| Nortek, Inc., 10.00%, 12/01/18 (a)                      |     | 1,450        | 1,547,875  |
|   |     |              | 1,759,541  |
| <b>Consumer Finance 0.6%</b>                            |     |              |            |
| Ford Motor Credit Co. LLC:                              |     |              |            |
| 3.05%, 1/13/12 (b)                                      |     | 120          | 121,223    |
| 7.80%, 6/01/12  |     | 380          | 405,249    |
| 6.63%, 8/15/17  |     | 380          | 404,160    |
| SLM Corp.:  |     |              |            |
| 6.25%, 1/25/16  |     | 651          | 667,275    |
| Series A, 0.59%, 1/27/14 (b)                            |     | 600          | 566,429    |
|   |     |              | 2,164,336  |
| <b>Containers &amp; Packaging 1.4%</b>                  |     |              |            |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (a)    | EUR | 425          | 605,539    |
| Ball Corp.:   |     |              |            |
| 7.13%, 9/01/16  | USD | 275          | 301,125    |
| 7.38%, 9/01/19  |     | 275          | 299,063    |
| Berry Plastics Corp., 9.75%, 1/15/21 (a)                |     | 1,965        | 1,969,912  |
| Owens-Brockway Glass Container, Inc., 7.38%,<br>5/15/16 |     | 1,435        | 1,564,150  |
| Pregis Corp., 12.38%, 10/15/13                          |     | 255          | 256,913    |
|   |     |              | 4,996,702  |
| <b>Diversified Financial Services 5.2%</b>              |     |              |            |
| Ally Financial, Inc.:                                   |     |              |            |
| 8.30%, 2/12/15  |     | 1,100        | 1,241,625  |
| 6.25%, 12/01/17 (a)                                     |     | 240          | 250,500    |
| 8.00%, 3/15/20  |     | 560          | 630,700    |
| 8.00%, 11/01/31   |     | 320          | 366,400    |
| Bank of America Corp.:                                  |     |              |            |
| 7.63%, 6/01/19  |     | 500          | 584,588    |

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|   |     |       |            |
|---|-----|-------|------------|
| 5.63%, 7/01/20 (d)                                  |     | 1,055 | 1,097,417  |
| Citigroup, Inc.:                                    |     |       |            |
| 4.75%, 5/19/15                                      |     | 380   | 401,101    |
| 5.38%, 8/09/20                                      |     | 495   | 513,158    |
| General Electric Capital Corp.:                     |     |       |            |
| 5.50%, 1/08/20 (d)                                  |     | 2,150 | 2,294,854  |
| 5.30%, 2/11/21                                      |     | 365   | 374,973    |
| 6.75%, 3/15/32 (d)                                  |     | 3,000 | 3,343,668  |
| JPMorgan Chase & Co.:                               |     |       |            |
| 2.60%, 1/15/16                                      |     | 685   | 663,893    |
| 6.30%, 4/23/19                                      |     | 1,375 | 1,546,007  |
| 4.25%, 10/15/20                                     |     | 195   | 188,013    |
| Novus USA Trust, 1.56%, 11/18/11 (a)(b)             |     | 850   | 849,683    |
| Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (a) |     | 890   | 947,850    |
| Reynolds Group Issuer, Inc. (a):                    |     |       |            |
| 7.75%, 10/15/16                                     | EUR | 550   | 804,511    |
| 7.13%, 4/15/19                                      | USD | 2,111 | 2,163,775  |
| 6.88%, 2/15/21                                      |     | 515   | 516,288    |
|   |     |       | 18,779,004 |

| Corporate Bonds  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Diversified Telecommunication Services 5.3%</b>         |     |              |              |
| AT&T Inc., 6.55%, 2/15/39 (e)                              | USD | 3,525        | \$ 3,756,141 |
| BellSouth Telecommunications, Inc., 8.30%,<br>12/15/95 (g) |     | 1,700        | 1,184,599    |
| Frontier Communications Corp., 8.25%, 4/15/17 (a)          |     | 383          | 423,215      |
| GCI, Inc., 8.63%, 11/15/19                                 |     | 1,000        | 1,100,000    |
| Qwest Communications International, Inc.:                  |     |              |              |
| 7.50%, 2/15/14   |     | 15           | 15,225       |
| Series B, 7.50%, 2/15/14                                   |     | 10           | 10,150       |
| Qwest Corp., 8.38%, 5/01/16                                |     | 170          | 202,937      |
| Telecom Italia Capital SA, 4.95%, 9/30/14 (d)              |     | 4,375        | 4,495,308    |
| Telefonica Emisiones SAU, 7.05%, 6/20/36                   |     | 1,000        | 1,076,220    |
| Verizon Communications, Inc.:                              |     |              |              |
| 8.75%, 11/01/18  |     | 720          | 929,143      |
| 6.40%, 2/15/38 (e)   |     | 2,100        | 2,246,672    |
| 8.95%, 3/01/39   |     | 1,125        | 1,568,473    |
| Verizon Global Funding Corp., 7.75%, 6/15/32               |     | 575          | 706,935      |
| Verizon Maryland, Inc., Series A, 6.13%, 3/01/12 (d)       |     | 1,355        | 1,424,266    |
| Windstream Corp.:  |     |              |              |
| 8.13%, 8/01/13   |     | 50           | 55,063       |
| 8.63%, 8/01/16   |     | 100          | 105,750      |
| 7.88%, 11/01/17  |     | 50           | 54,313       |
|  |     |              | 19,354,410   |

|   |  |       |           |
|---|--|-------|-----------|
| <b>Electric Utilities 3.5%</b>                          |  |       |           |
| Alabama Power Co., 6.00%, 3/01/39                       |  | 550   | 599,041   |
| Duke Energy Carolinas LLC:                              |  |       |           |
| 6.10%, 6/01/37  |  | 325   | 351,885   |
| 6.00%, 1/15/38  |  | 850   | 921,812   |
| EDF SA, 5.60%, 1/27/40 (a)                              |  | 1,400 | 1,446,916 |
| E.ON International Finance BV, 6.65%,<br>4/30/38 (a)(d) |  | 1,575 | 1,871,431 |
| Elwood Energy LLC, 8.16%, 7/05/26                       |  | 135   | 133,937   |

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|  |       |            |
|--|-------|------------|
| Florida Power & Light Co., 4.95%, 6/01/35          | 575   | 558,358    |
| Florida Power Corp.:                               |       |            |
| 6.35%, 9/15/37 (d)                                 | 1,450 | 1,631,920  |
| 6.40%, 6/15/38                                     | 340   | 386,620    |
| PacifiCorp., 6.25%, 10/15/37                       | 650   | 722,558    |
| Public Service Co. of Colorado, 6.25%, 9/01/37 (d) | 1,350 | 1,537,765  |
| Southern California Edison Co.:                    |       |            |
| 5.63%, 2/01/36                                     | 675   | 705,110    |
| Series 05-E, 5.35%, 7/15/35                        | 150   | 151,009    |
| Series 08-A, 5.95%, 2/01/38                        | 1,100 | 1,201,831  |
| The Toledo Edison Co., 6.15%, 5/15/37              | 350   | 361,561    |
|  |       | 12,581,754 |

**Energy Equipment & Services 0.6%**

|   |     |           |
|---|-----|-----------|
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)      | 335 | 343,375   |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (a)  | 600 | 615,000   |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a)   | 875 | 905,625   |
| Precision Drilling Corp., 6.63%, 11/15/20 (a) | 235 | 242,637   |
|   |     | 2,106,637 |

**Food & Staples Retailing 1.0%**

|                               |       |           |
|-------------------------------|-------|-----------|
| BI-LO LLC, 9.25%, 2/15/19 (a) | 430   | 447,200   |
| Wal-Mart Stores, Inc. (d):    |       |           |
| 6.50%, 8/15/37                | 1,975 | 2,278,953 |
| 6.20%, 4/15/38                | 850   | 946,173   |
|                               |       | 3,672,326 |

**Food Products 0.7%**

|  |       |           |
|--|-------|-----------|
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a)        | 330   | 333,300   |
| Darling International, Inc., 8.50%, 12/15/18 (a) | 335   | 361,381   |
| Kraft Foods, Inc., 7.00%, 8/11/37                | 1,670 | 1,897,202 |
|  |       | 2,591,883 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Health Care Equipment &amp; Supplies 0.3%</b>               |     |              |            |
| DJO Finance LLC, 10.88%, 11/15/14                              | USD | 900          | \$ 986,625 |
| <b>Health Care Providers &amp; Services 1.9%</b>               |     |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a)              |     | 360          | 375,300    |
| ConvaTec Healthcare E SA (a):                                  |     |              |            |
| 7.38%, 12/15/17  | EUR | 600          | 861,089    |
| 10.50%, 12/15/18   | USD | 630          | 672,525    |
| HCA, Inc., 8.50%, 4/15/19                                      |     | 1,700        | 1,904,000  |
| Tenet Healthcare Corp.:  |     |              |            |
| 9.00%, 5/01/15   |     | 1,200        | 1,320,000  |
| 10.00%, 5/01/18  |     | 280          | 329,000    |
| 8.88%, 7/01/19   |     | 1,150        | 1,308,125  |
|  |     |              | 6,770,039  |
| <b>Hotels, Restaurants &amp; Leisure 1.9%</b>                  |     |              |            |
| Boyd Gaming Corp., 9.13%, 12/01/18 (a)                         |     | 835          | 876,750    |
| Caesars Entertainment Operating Co., Inc., 10.00%,<br>12/15/18 |     | 4,710        | 4,427,400  |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (a)                    |     | 445          | 463,912    |
| McDonald's Corp., 5.70%, 2/01/39                               |     | 850          | 914,810    |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (a)        |     | 160          | 163,200    |
|  |     |              | 6,846,072  |
| <b>Household Durables 1.4%</b>                                 |     |              |            |
| Beazer Homes USA, Inc., 9.13%, 5/15/19 (a)                     |     | 2,000        | 2,062,500  |
| Standard Pacific Corp.:  |     |              |            |
| 10.75%, 9/15/16  |     | 1,000        | 1,175,000  |
| 8.38%, 5/15/18 (a)   |     | 655          | 694,300    |
| 8.38%, 1/15/21 (a)   |     | 1,060        | 1,118,300  |
|  |     |              | 5,050,100  |
| <b>Household Products 0.3%</b>                                 |     |              |            |
| Kimberly-Clark, Corp., 6.63%, 8/01/37                          |     | 975          | 1,173,263  |
| <b>IT Services 1.3%</b>  |     |              |            |
| First Data Corp. (a):  |     |              |            |
| 8.88%, 8/15/20   |     | 1,000        | 1,095,000  |
| 8.25%, 1/15/21   |     | 674          | 670,630    |
| 12.63%, 1/15/21  |     | 520          | 544,700    |
| iPayment, Inc., 9.75%, 5/15/14                                 |     | 270          | 267,637    |
| iPayment Investors LP, 12.75%, 7/15/14 (a)(h)                  |     | 867          | 806,208    |
| SunGard Data Systems, Inc., 7.63%, 11/15/20 (a)                |     | 1,100        | 1,135,750  |

4,519,925

**Independent Power Producers & Energy Traders 1.5%**

|   |       |           |
|---|-------|-----------|
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 | 1,650 | 1,722,356 |
| NRG Energy, Inc., 7.63%, 1/15/18 (a)                            | 3,600 | 3,748,500 |
|   |       | 5,470,856 |

**Industrial Conglomerates 0.5%**

|                                      |     |           |
|--------------------------------------|-----|-----------|
| Sequa Corp. (a):<br>11.75%, 12/01/15 | 760 | 824,600   |
| 13.50%, 12/01/15 (h)                 | 927 | 1,027,185 |
|                                      |     | 1,851,785 |

**Insurance 2.5%**

|   |       |           |
|---|-------|-----------|
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)                 | 499   | 531,435   |
| Chubb Corp., 6.00%, 5/11/37 (d)                               | 1,415 | 1,518,605 |
| Manulife Financial Corp., 3.40%, 9/17/15                      | 780   | 772,868   |
| Metropolitan Life Global Funding I (a):<br>2.50%, 1/11/13 (d) | 2,550 | 2,598,305 |
| 5.13%, 6/10/14  | 775   | 841,489   |
| Prudential Financial, Inc.:<br>4.75%, 9/17/15 (d)             | 1,220 | 1,306,046 |
| 5.70%, 12/14/36   | 950   | 946,092   |

| Corporate Bonds   |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Insurance (concluded)</b>  |     |              |    |           |
| Teachers Insurance & Annuity Association of<br>America, 6.85%, 12/16/39 (a) | USD | 505          | \$ | 581,081   |
|   |     |              |    | 9,095,921 |

**Life Sciences Tools & Services 0.0%**

|   |  |     |  |         |
|---|--|-----|--|---------|
| Life Technologies Corp., 5.00%, 1/15/21 |  | 145 |  | 146,784 |
|---|--|-----|--|---------|

**Machinery 0.3%**

|   |  |     |  |           |
|---|--|-----|--|-----------|
| AGY Holding Corp., 11.00%, 11/15/14           |  | 340 |  | 302,600   |
| Navistar International Corp., 8.25%, 11/01/21 |  | 760 |  | 841,700   |
|   |  |     |  | 1,144,300 |

**Marine 0.3%**

|   |  |       |  |           |
|---|--|-------|--|-----------|
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)(d) |  | 1,100 |  | 1,105,500 |
|---|--|-------|--|-----------|

**Media 7.7%**

|   |  |       |  |           |
|---|--|-------|--|-----------|
| Affinion Group, Inc., 7.88%, 12/15/18 (a)                   |  | 1,505 |  | 1,441,037 |
| CBS Corp., 8.88%, 5/15/19                                   |  | 505   |  | 636,815   |
| CCH II LLC, 13.50%, 11/30/16                                |  | 2,265 |  | 2,742,998 |
| CMP Susquehanna Corp., 3.44%, 5/15/14                       |  | 55    |  | 38,771    |
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (a) |  | 1,870 |  | 1,940,125 |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (a)             |  | 350   |  | 375,375   |

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|   |     |       |            |
|---|-----|-------|------------|
| Clear Channel Communications Inc., 9.00%,<br>3/01/21 (a)        |     | 325   | 330,281    |
| Clear Channel Worldwide Holdings, Inc.:                         |     |       |            |
| 9.25%, 12/15/17   |     | 318   | 352,980    |
| Series B, 9.25%, 12/15/17                                       |     | 1,257 | 1,398,412  |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22 |     | 2,000 | 2,727,162  |
| Comcast Corp., 6.40%, 3/01/40                                   |     | 607   | 631,621    |
| Discovery Communications LLC, 3.70%, 6/01/15                    |     | 470   | 486,993    |
| Gray Television, Inc., 10.50%, 6/29/15                          |     | 225   | 239,063    |
| NBC Universal, Inc. (a):  |     |       |            |
| 5.15%, 4/30/20  |     | 974   | 1,004,059  |
| 4.38%, 4/01/21  |     | 795   | 765,150    |
| The New York Times Co., 6.63%, 12/15/16 (a)                     |     | 1,800 | 1,840,500  |
| News America Holdings, Inc.:                                    |     |       |            |
| 8.45%, 8/01/34  |     | 2,475 | 3,001,259  |
| 8.15%, 10/17/36   |     | 145   | 178,580    |
| News America, Inc. (a):   |     |       |            |
| 4.50%, 2/15/21  |     | 620   | 616,210    |
| 6.15%, 2/15/41  |     | 745   | 757,261    |
| Rainbow National Services LLC (a):                              |     |       |            |
| 8.75%, 9/01/12  |     | 225   | 225,844    |
| 10.38%, 9/01/14   |     | 1,070 | 1,114,138  |
| Time Warner Cable, Inc.:  |     |       |            |
| 7.30%, 7/01/38  |     | 970   | 1,092,820  |
| 5.88%, 11/15/40   |     | 460   | 436,787    |
| Time Warner, Inc.:  |     |       |            |
| 4.70%, 1/15/21  |     | 1,000 | 1,005,127  |
| 6.10%, 7/15/40  |     | 615   | 620,838    |
| Virgin Media Secured Finance Plc:                               |     |       |            |
| 6.50%, 1/15/18  |     | 330   | 361,350    |
| 7.00%, 1/15/18  | GBP | 792   | 1,387,296  |
|   |     |       | 27,748,852 |
| <b>Metals &amp; Mining 1.9%</b>                                 |     |       |            |
| Cliffs Natural Resources, Inc., 4.80%, 10/01/20                 | USD | 240   | 237,630    |
| Corporacion Nacional del Cobre de Chile, 3.75%,<br>11/04/20 (a) |     | 259   | 243,763    |
| Falconbridge Ltd., 6.20%, 6/15/35                               |     | 1,550 | 1,579,216  |
| Novelis, Inc., 8.75%, 12/15/20 (a)                              |     | 4,365 | 4,812,413  |
|   |     |       | 6,873,022  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| Corporate Bonds                                       |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Multi-Utilities 0.4%</b>                           |     |              |              |
| Dominion Resources, Inc., 6.00%, 11/30/17             | USD | 1,135        | \$ 1,279,613 |
| <b>Multiline Retail 0.5%</b>                          |     |              |              |
| Dollar General Corp., 11.88%, 7/15/17 (h)             |     | 1,500        | 1,734,375    |
| <b>Oil, Gas &amp; Consumable Fuels 7.5%</b>           |     |              |              |
| Arch Coal, Inc., 7.25%, 10/01/20                      |     | 1,000        | 1,062,500    |
| BP Capital Markets Plc, 3.13%, 3/10/12 (d)            |     | 1,505        | 1,538,959    |
| Berry Petroleum Co., 8.25%, 11/01/16                  |     | 160          | 169,000      |
| Burlington Resources Finance Co., 7.40%,<br>12/01/31  |     | 950          | 1,126,757    |
| Canadian Natural Resources, Ltd.:                     |     |              |              |
| 6.50%, 2/15/37  |     | 430          | 476,922      |
| 6.25%, 3/15/38  |     | 500          | 540,579      |
| 6.75%, 2/01/39  |     | 950          | 1,088,479    |
| Cenovus Energy, Inc., 6.75%, 11/15/39                 |     | 565          | 643,013      |
| Chaparral Energy, Inc., 8.25%, 9/01/21 (a)            |     | 320          | 325,600      |
| Chesapeake Energy Corp., 6.63%, 8/15/20               |     | 1,175        | 1,233,750    |
| Conoco Funding Co., 7.25%, 10/15/31                   |     | 150          | 184,674      |
| ConocoPhillips Canada Funding Co., 5.95%,<br>10/15/36 |     | 150          | 160,064      |
| Consol Energy, Inc.:                                  |     |              |              |
| 8.00%, 4/01/17  |     | 1,139        | 1,235,815    |
| 8.25%, 4/01/20  |     | 861          | 949,252      |
| Denbury Resources, Inc.:                              |     |              |              |
| 8.25%, 2/15/20  |     | 1,000        | 1,112,500    |
| 6.38%, 8/15/21  |     | 450          | 454,500      |
| Devon Energy Corp., 7.95%, 4/15/32                    |     | 650          | 845,461      |
| EnCana Corp.:   |     |              |              |
| 6.50%, 8/15/34  |     | 70           | 75,295       |
| 6.63%, 8/15/37  |     | 775          | 855,297      |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17 (a)      |     | 575          | 618,125      |
| Enterprise Products Operating LLC:                    |     |              |              |
| 6.13%, 2/01/13  |     | 710          | 764,502      |
| 6.13%, 10/15/39                                       |     | 700          | 701,354      |
| Marathon Petroleum Corp., 6.50%, 3/01/41 (a)          |     | 434          | 439,682      |
| MidAmerican Energy Co., 5.80%, 10/15/36               |     | 800          | 832,710      |
| MidAmerican Energy Holdings Co.:                      |     |              |              |
| 5.95%, 5/15/37  |     | 950          | 984,653      |
| 6.50%, 9/15/37  |     | 2,115        | 2,351,191    |
| Peabody Energy Corp., 6.50%, 9/15/20                  |     | 1,220        | 1,305,400    |
| Petrobras International Finance Co.:                  |     |              |              |
| 3.88%, 1/27/16  |     | 1,780        | 1,797,294    |
| 5.88%, 3/01/18  |     | 80           | 85,137       |
| 5.75%, 1/20/20  |     | 1,760        | 1,826,260    |
| Rockies Express Pipeline LLC, 3.90%, 4/15/15 (a)      |     | 680          | 676,399      |
| Valero Energy Corp., 6.63%, 6/15/37                   |     | 669          | 683,643      |
|   |     |              | 27,144,767   |

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**Paper & Forest Products 1.5%**

|   |       |           |
|---|-------|-----------|
| Clearwater Paper Corp., 7.13%, 11/01/18 (a) | 1,000 | 1,037,500 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a)     | 1,650 | 1,860,375 |
| International Paper Co., 7.30%, 11/15/39    | 610   | 715,043   |
| NewPage Corp., 11.38%, 12/31/14             | 1,840 | 1,835,400 |

5,448,318

**Pharmaceuticals 2.2%**

|   |       |           |
|---|-------|-----------|
| GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 (d) | 1,500 | 1,709,451 |
| Grifols, Inc., 8.25%, 2/01/18 (a)                 | 175   | 179,813   |
| Merck & Co., Inc., 6.55%, 9/15/37 (d)             | 1,250 | 1,479,217 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)          | 900   | 1,112,730 |
| Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36   | 1,475 | 1,625,449 |
| Wyeth, 5.95%, 4/01/37                             | 1,775 | 1,918,482 |

8,025,142

**Corporate Bonds**

Par  
(000)

Value

**Professional Services 0.0%**

|                                       |     |     |    |         |
|---------------------------------------|-----|-----|----|---------|
| FTI Consulting, Inc., 7.75%, 10/01/16 | USD | 125 | \$ | 131,094 |
|---------------------------------------|-----|-----|----|---------|

**Real Estate Investment Trusts (REITs) 0.1%**

|                                     |     |         |
|-------------------------------------|-----|---------|
| Kimco Realty Corp., 6.88%, 10/01/19 | 420 | 490,202 |
|-------------------------------------|-----|---------|

**Road & Rail 1.3%**

|   |       |           |
|---|-------|-----------|
| Avis Budget Car Rental LLC, 8.25%, 1/15/19              | 1,000 | 1,061,250 |
| Burlington Northern Santa Fe LLC, 5.75%,<br>5/01/40 (e) | 940   | 979,469   |
| Canadian National Railway Co., 6.38%, 10/15/11          | 1,000 | 1,037,517 |
| The Hertz Corp., 7.38%, 1/15/21 (a)                     | 1,670 | 1,745,150 |

4,823,386

**Semiconductors & Semiconductor  
Equipment 0.1%**

|                                  |     |         |
|----------------------------------|-----|---------|
| Spanion LLC, 7.88%, 11/15/17 (a) | 390 | 397,800 |
|----------------------------------|-----|---------|

**Software 0.2%**

|                                  |     |         |
|----------------------------------|-----|---------|
| Oracle Corp., 5.38%, 7/15/40 (a) | 885 | 862,622 |
|----------------------------------|-----|---------|

**Specialty Retail 0.2%**

|  |     |         |
|--|-----|---------|
| Claire s Escrow Corp., 8.88%, 3/15/19 (a)(i)     | 415 | 416,556 |
| General Nutrition Centers, Inc., 10.75%, 3/15/15 | 405 | 407,025 |

823,581

**Thrifts & Mortgage Finance 1.6%**

|   |       |           |
|---|-------|-----------|
| Achmea Hypotheekbank NV, 3.20%, 11/03/14 (a)(d) | 1,325 | 1,368,848 |
| MGIC Investment Corp., 5.38%, 11/01/15          | 840   | 791,700   |
| The PMI Group, Inc., 6.00%, 9/15/16             | 1,400 | 1,115,235 |
| Radian Group, Inc.:<br>5.63%, 2/15/13           | 1,400 | 1,400,000 |



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|   |       |             |
|---|-------|-------------|
| 5.38%, 6/15/15  | 1,400 | 1,270,500   |
|   |       | 5,946,283   |
| <b>Tobacco 0.2%</b>                                   |       |             |
| Philip Morris International, Inc., 4.50%, 3/26/20     | 650   | 670,994     |
| <b>Wireless Telecommunication Services 4.1%</b>       |       |             |
| Clearwire Communications LLC, 12.00%,<br>12/01/15 (a) | 320   | 348,800     |
| Cricket Communications, Inc.:                         |       |             |
| 10.00%, 7/15/15                                       | 35    | 38,588      |
| 7.75%, 5/15/16  | 1,605 | 1,697,287   |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (a)           | 1,595 | 1,732,226   |
| Digicel Group Ltd. (a):                               |       |             |
| 8.88%, 1/15/15  | 1,800 | 1,872,000   |
| 8.25%, 9/01/17  | 150   | 156,750     |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20 (a)     | 980   | 1,006,950   |
| MetroPCS Wireless, Inc.:                              |       |             |
| 7.88%, 9/01/18  | 850   | 897,812     |
| 6.63%, 11/15/20                                       | 840   | 817,950     |
| Rogers Communications, Inc., 7.50%, 8/15/38           | 1,175 | 1,457,114   |
| SBA Tower Trust, 4.25%, 4/15/40 (a)                   | 950   | 992,928     |
| Sprint Capital Corp.:                                 |       |             |
| 6.88%, 11/15/28                                       | 620   | 558,775     |
| 8.75%, 3/15/32  | 350   | 364,000     |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (a)          | 160   | 172,800     |
| Vodafone Group Plc, 4.15%, 6/10/14 (d)                | 2,500 | 2,647,710   |
|   |       | 14,761,690  |
| <b>Total Corporate Bonds 77.5%</b>                    |       | 280,784,580 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| Foreign Agency Obligations  |     | Par<br>(000) |    | Value            |
|---|-----|--------------|----|------------------|
| Hellenic Republic Government Bond, 4.60%,<br>9/20/40                    | EUR | 160          | \$ | 122,363          |
| Italy Government International Bond, 5.38%,<br>6/15/33                  | USD | 470          |    | 466,041          |
| Japan Finance Corp., 2.00%, 6/24/11                                     |     | 880          |    | 884,653          |
| Japan Finance Organization for Municipal<br>Enterprises, 4.00%, 1/13/21 |     | 500          |    | 494,995          |
| Kreditanstalt fuer Wiederaufbau, 1.38%, 7/15/13                         |     | 655          |    | 659,685          |
| Mexico Government International Bond, 5.63%,<br>1/15/17                 |     | 370          |    | 407,925          |
| United Mexican States, Series A, 5.13%, 1/15/20                         |     | 215          |    | 225,212          |
| <b>Total Foreign Agency Obligations 0.9%</b>                            |     |              |    | <b>3,260,874</b> |

## Non-Agency Mortgage-Backed Securities

| Collateralized Mortgage Obligations 6.7%   |  |       |     |           |
|--|--|-------|-----|-----------|
| Adjustable Rate Mortgage Trust, Series 2005-7,<br>Class 4A1, 5.40%, 10/25/35 (b)                           |  | 1,013 |     | 944,577   |
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                                 |  | 1,100 |     | 766,422   |
| Chase Mortgage Finance Corp., Series 2005-A1,<br>Class 1A1, 5.40%, 12/25/35 (b)                            |  | 972   |     | 937,430   |
| Collateralized Mortgage Obligation Trust, Series 40,<br>Class R, 580.50%, 4/01/18                          |  |       | (j) | 67        |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35                    |  | 1,682 |     | 1,506,471 |
| Series 2006-0A21, Class A1, 0.45%,<br>3/20/47 (b)  |  | 932   |     | 557,840   |
| Series 2006-41CB, Class 1A4, 5.75%,<br>1/25/37   |  | 800   |     | 618,562   |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust:<br>Series 2006-0A5, Class 2A1, 0.46%,<br>4/25/46 (b) |  | 375   |     | 231,940   |
| Series 2007-10, Class A22, 6.00%, 7/25/37  |  | 771   |     | 646,481   |
| Credit Suisse Mortgage Capital Certificates:<br>Series 2011-2R, Class 2A1, 5.25%, 7/25/36                  |  | 1,745 |     | 1,582,889 |
| Series 2011-2R, Class 2A1, 4.58%,<br>7/27/36 (a)(b)  |  | 1,715 |     | 1,555,676 |
| Series 2011-4R, Class 1A1, 5.69%,<br>5/27/36 (a)(b)  |  | 900   |     | 801,563   |
| Series 2011-4R, Class 2A1, 5.17%,<br>5/27/36 (a)(b)  |  | 1,160 |     | 1,055,600 |
| Series 2011-4R, Class 2A1, 6.25%, 9/25/37  |  | 900   |     | 801,563   |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust,<br>Series 2006-0A1, Class A1, 0.46%, 2/25/47 (b)     |  | 293   |     | 193,331   |

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|  |       |           |
|--|-------|-----------|
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.14%, 6/19/35 (b)        | 1,564 | 1,547,745 |
| GSR Mortgage Loan Trust (b):   |       |           |
| Series 2005-AR4, Class 6A1, 5.25%, 7/25/35   | 2,715 | 2,644,912 |
| Series 2006-AR1, Class 2A1, 2.81%, 1/25/36   | 751   | 645,715   |
| Harborview Mortgage Loan Trust, Series 2005-8,<br>Class 1A2A, 0.59%, 9/19/35 (b)         | 99    | 70,433    |
| Homebanc Mortgage Trust, Series 2006-2, Class A1,<br>0.44%, 12/25/36 (b)                 | 737   | 573,870   |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37            | 1,100 | 964,887   |
| JPMorgan Mortgage Trust, Series 2007-S1,<br>Class 2A22, 5.75%, 3/25/37                   | 651   | 560,013   |
| Merrill Lynch Mortgage Investors, Inc., Series<br>2006-A3, Class 3A1, 3.78%, 5/25/36 (b) | 772   | 589,746   |

| Non-Agency Mortgage-Backed Securities   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Collateralized Mortgage Obligations (concluded)</b>                                    |              |              |
| Residential Funding Securities LLC, Series<br>2003-RM2, Class AI5, 8.50%, 5/25/33         | USD 2,739    | \$ 2,976,030 |
| WaMu Mortgage Pass-Through Certificates,<br>Series 2007-0A4, Class 1A, 1.10%, 5/25/47 (b) | 419          | 295,653      |
| Wells Fargo Mortgage-Backed Securities Trust:<br>Series 2006-3, Class A9, 5.50%, 3/25/36  | 495          | 502,399      |
| Series 2006-AR4, Class 2A4, 5.66%,<br>4/25/36 (b)   | 300          | 289,338      |
| Series 2007-10, Class 1A21, 6.00%, 7/25/37  | 239          | 237,403      |
|   |              | 24,098,556   |

| Commercial Mortgage-Backed Securities 15.3%  |       |           |
|--|-------|-----------|
| Banc of America Commercial Mortgage, Inc.:   |       |           |
| Series 2006-4, Class A4, 5.63%, 7/10/46  | 420   | 456,014   |
| Series 2006-4, Class AM, 5.68%, 7/10/46  | 250   | 262,516   |
| Series 2007-1, Class A4, 5.45%, 1/15/49  | 1,520 | 1,619,758 |
| Series 2007-2, Class A4, 5.69%, 4/10/49 (b)  | 750   | 804,771   |
| Bear Stearns Commercial Mortgage Securities,<br>Series 2007-PW17, Class A4, 5.69%, 6/11/50 (b)   | 870   | 941,924   |
| CS First Boston Mortgage Securities Corp.,<br>Series 2002-CP5, Class A2, 4.94%, 12/15/35         | 2,970 | 3,107,716 |
| Citigroup Commercial Mortgage Trust, Series<br>2008-C7, Class A4, 6.10%, 12/10/49 (b)            | 2,020 | 2,219,230 |
| Commercial Mortgage Loan Trust, Series 2008-LS1,<br>Class A4B, 6.01%, 12/10/49 (b)               | 1,515 | 1,655,382 |
| Commercial Mortgage Pass-Through Certificates,<br>Series 2004-LB3A, Class A3, 5.09%, 7/10/37 (b) | 990   | 995,673   |
| Credit Suisse Mortgage Capital Certificates (b):   |       |           |
| Series 2006-C3, Class AM, 5.83%, 6/15/38   | 1,000 | 1,054,967 |
| Series 2010-RR2, Class 2A, 5.80%,<br>9/15/39 (a)   | 1,010 | 1,098,384 |
| Extended Stay America Trust, Series 2010-ESHA (a):   |       |           |
| Class A, 2.95%, 11/05/27   | 2,534 | 2,513,513 |
| Class C, 4.86%, 11/05/27   | 1,005 | 1,042,587 |
| First Union-Lehman Brothers-Bank of America,<br>Series 1998-C2, Class D, 6.78%, 11/18/35         | 2,630 | 2,726,039 |
| GE Capital Commercial Mortgage Corp., Series<br>2002-1A, Class A3, 6.27%, 12/10/35               | 2,228 | 2,308,132 |
| GMAC Commercial Mortgage Securities, Inc.:   |       |           |

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|   |       |            |
|---|-------|------------|
| Series 2002-C3, Class A2, 4.93%, 7/10/39  | 2,580 | 2,696,233  |
| Series 2004-C3, Class A4, 4.55%, 12/10/41   | 2,475 | 2,503,560  |
| GS Mortgage Securities Corp. II, Series 2010-C2,<br>Class C, 5.23%, 12/10/43 (a)(b) | 900   | 908,863    |
| JPMorgan Chase Commercial Mortgage<br>Securities Corp.:                             |       |            |
| Series 2001-C1, Class A3, 5.86%, 10/12/35   | 1,712 | 1,728,184  |
| Series 2004-CBX, Class A4, 4.53%, 1/12/37   | 2,380 | 2,412,230  |
| Series 2006-CB14, Class AM, 5.45%,<br>12/12/44 (b)                                  | 330   | 343,812    |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45  | 720   | 702,101    |
| Series 2007-CB19, Class A4, 5.74%,<br>2/12/49 (b)                                   | 645   | 694,704    |
| LB-UBS Commercial Mortgage Trust (b):   |       |            |
| Series 2004-C4, Class A3, 5.11%, 6/15/29  | 2,040 | 2,120,142  |
| Series 2007-C6, Class A4, 5.86%, 7/15/40  | 825   | 890,786    |
| Series 2007-C7, Class A3, 5.87%, 9/15/45  | 700   | 755,432    |
| Merrill Lynch Mortgage Trust, Series 2004-BPC1,<br>Class A3, 4.47%, 10/12/41 (b)    | 4,280 | 4,334,388  |
| Morgan Stanley Capital I, Series 2005-T17,<br>Class A4, 4.52%, 12/13/41             | 2,663 | 2,701,093  |
| Wachovia Bank Commercial Mortgage Trust:  |       |            |
| Series 2005-C21, Class A3, 5.20%,<br>10/15/44 (b)                                   | 161   | 164,439    |
| Series 2006-C28, Class A2, 5.50%, 10/15/48  | 7,374 | 7,475,237  |
| Series 2007-C33, Class A4, 5.90%, 2/15/51 (b)                                       | 2,035 | 2,198,179  |
|   |       | 55,435,989 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |                   |
| <b>Interest Only Collateralized Mortgage Obligations 0.0%</b>                                  |              |                   |
| Collateralized Mortgage Obligation Trust, Series 42,<br>Class R, 6,000.00%, 10/01/14           | USD (j) \$   | 226               |
| GSMPS Mortgage Loan Trust, Series 1998-5,<br>Class IO, 0.97%, 6/19/27 (a)(b)                   | 2,585        | 67,864            |
| Salomon Brothers Mortgage Securities VII, Inc.,<br>Series 2000-1, Class IO, 0.49%, 3/25/22 (b) | 360          | 1,605             |
|  |              | <u>69,695</u>     |
| <b>Interest Only Commercial Mortgage-Backed Securities 0.0%</b>                                |              |                   |
| Morgan Stanley Capital I, Series 1997-HF1, Class X,<br>3.44%, 7/15/29 (a)(b)                   | 7            | 2                 |
| <b>Total Non-Agency Mortgage-Backed Securities 22.0%</b>                                       |              | <u>79,604,242</u> |

|  | Beneficial<br>Interest<br>(000) |            |
|--|---------------------------------|------------|
| <b>Other Interests (k)</b>                       |                                 |            |
| <b>Health Care Providers &amp; Services 0.0%</b> |                                 |            |
| Critical Care Systems International, Inc.        | 2                               | 191        |
| <b>Total Other Interests 0.0%</b>                |                                 | <u>191</u> |

**Preferred Securities**

|  | Par<br>(000) |                  |
|--|--------------|------------------|
| <b>Capital Trusts</b>                      |              |                  |
| <b>Insurance 0.8%</b>                      |              |                  |
| The Allstate Corp., 6.50%, 5/15/67 (b)     | 2,150        | 2,206,437        |
| Lincoln National Corp., 6.05%, 4/20/67 (b) | 750          | 717,225          |
| <b>Total Capital Trusts 0.8%</b>           |              | <u>2,923,662</u> |

| Preferred Stocks | Shares |
|------------------|--------|
|                  |        |

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|  |        |           |
|--|--------|-----------|
| <b>Media 0.0%</b>  |        |           |
| CMP Susquehanna Radio Holdings Corp.,<br>0.00% (a)(b)(c) | 12,873 |           |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>               |        |           |
| Fannie Mae, 8.25% (c)                                    | 10,000 | 19,500    |
| Fannie Mae, Series O, 0.00% (c)                          | 40,000 | 128,000   |
| Freddie Mac, Series Z, 8.38% (c)                         | 94,539 | 183,406   |
| <b>Total Preferred Stocks 0.1%</b>                       |        | 330,906   |
| <b>Total Preferred Securities 0.9%</b>                   |        | 3,254,568 |

| <b>Taxable Municipal Bonds</b>  |     | <b>Par<br/>(000)</b> |           |
|---|-----|----------------------|-----------|
| City of Chicago Illinois, RB, Build America Bonds,<br>6.40%, 1/01/40                        | USD | 250                  | 240,293   |
| East Bay Municipal Utility District, RB, Build<br>America Bonds, 5.87%, 6/01/40             |     | 950                  | 953,078   |
| Indianapolis Local Public Improvement Bond Bank,<br>RB, Build America Bonds, 6.12%, 1/15/40 |     | 1,260                | 1,291,651 |

| <b>Taxable Municipal Bonds</b>  |     | <b>Par<br/>(000)</b> |    | <b>Value</b> |
|---|-----|----------------------|----|--------------|
| Metropolitan Transportation Authority, RB, Build<br>America Bonds, 7.34%, 11/15/39          | USD | 670                  | \$ | 764,470      |
| New York City Municipal Water Finance Authority, RB:<br>Build America Bonds, 5.72%, 6/15/42 |     | 690                  |    | 676,545      |
| Second General Resolution, Series EE, 5.38%,<br>6/15/43                                     |     | 385                  |    | 390,386      |
| Second General Resolution, Series EE, 5.50%,<br>6/15/43                                     |     | 465                  |    | 477,722      |
| New York State Dormitory Authority, RB, Build<br>America Bonds:<br>5.63%, 3/15/39           |     | 550                  |    | 540,447      |
| 5.60%, 3/15/40  |     | 950                  |    | 896,762      |
| Port Authority of New York & New Jersey, RB,<br>Consolidated, 159th Series, 6.04%, 12/01/29 |     | 395                  |    | 403,892      |
| State of California, GO:<br>Build America Bonds, 7.30%, 10/01/39                            |     | 1,100                |    | 1,157,343    |
| Build America Bonds, 7.35%, 11/01/39  |     | 540                  |    | 571,509      |
| Build America Bonds, Various Purpose, 7.50%,<br>4/01/34                                     |     | 360                  |    | 389,113      |
| Various Purpose, Series 3, 5.45%, 4/01/15   |     | 2,475                |    | 2,613,897    |
| University of California, RB, Build America Bonds,<br>5.95%, 5/15/45                        |     | 440                  |    | 407,158      |
| <b>Total Taxable Municipal Bonds 3.3%</b>   |     |                      |    | 11,774,266   |

**U.S. Government Sponsored Agency Securities**

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| <b>Agency Obligations 3.7%</b>                    |       |            |
|---|-------|------------|
| Fannie Mae (d):                                   |       |            |
| 6.45%, 10/09/19 (l)                               | 6,125 | 4,086,288  |
| 5.63%, 7/15/37 (e)                                | 825   | 921,670    |
| Federal Home Loan Banks:                          |       |            |
| 5.25%, 12/09/22                                   | 700   | 772,998    |
| 5.37%, 9/09/24 (m)                                | 1,100 | 1,219,854  |
| Federal Housing Administration, Merrill Projects: |       |            |
| Series 29, 7.43%, 10/01/20                        | 42    | 41,978     |
| Series 42, 7.43%, 9/25/22                         | 41    | 40,990     |
| Federal Housing Administration, Westmore          |       |            |
| Project, 7.25%, 4/01/21                           | 1,372 | 1,372,348  |
| Resolution Funding Corp., 8.57%, 4/15/30 (l)      | 6,055 | 2,429,781  |
| Tennessee Valley Authority, 5.25%, 9/15/39 (d)    | 2,405 | 2,518,752  |
|   |       | 13,404,659 |

| <b>Collateralized Mortgage Obligations 0.3%</b> |       |           |
|---|-------|-----------|
| Fannie Mae Mortgage-Backed Securities:          |       |           |
| Series 1991-46, Class S, 1,402.63%, 5/25/21 (b) | (j)   | 2,783     |
| Series 1991-87, Class S, 25.94%, 8/25/21 (b)    | 28    | 41,939    |
| Series 2005-5, Class PK, 5.00%, 12/25/34        | 1,107 | 1,178,750 |
| Series G-7, Class S, 116.20%, 3/25/21 (b)       | (j)   | 1,780     |
| Series G-17, Class S, 580.11%, 6/25/21 (b)      | (j)   | 2,546     |
| Series G-33, Class PV, 1,078.42%, 10/25/21      | (j)   | 3,219     |
| Series G-49, Class S, 5.55%, 12/25/21 (b)       | (j)   | 1,092     |
| Freddie Mac Mortgage-Backed Securities:         |       |           |
| Series 19, Class R, 9,757.35%, 3/15/20 (b)      | (j)   | 741       |
| Series 75, Class R, 9.50%, 1/15/21              | (j)   | 1         |
| Series 75, Class RS, 22.67%, 1/15/21 (b)        | (j)   | 1         |
| Series 173, Class R, 9.00%, 11/15/21            | (j)   | 7         |
| Series 173, Class RS, 9.19%, 11/15/21 (b)       | (j)   | 7         |
| Series 1057, Class J, 1,008.00%, 3/15/21        | (j)   | 1,163     |
|   |       | 1,234,029 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| U.S. Government Sponsored Agency Securities                   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Federal Deposit Insurance Corporation</b>                  |     |              |              |
| <b>Guaranteed 0.7%</b>  |     |              |              |
| General Electric Capital Corp.:                               |     |              |              |
| 2.00%, 9/28/12 (d)  | USD | 1,850        | \$ 1,891,092 |
| 2.13%, 12/21/12   |     | 525          | 538,214      |
|   |     |              | 2,429,306    |
| <b>Interest Only Collateralized Mortgage Obligations 0.1%</b> |     |              |              |
| Fannie Mae Mortgage-Backed Securities:                        |     |              |              |
| Series 7, Class 2, 8.50%, 4/01/17                             |     | 2            | 378          |
| Series 89, Class 2, 8.00%, 10/01/18                           |     | 4            | 580          |
| Series 94, Class 2, 9.50%, 8/01/21                            |     | 2            | 350          |
| Series 1990-123, Class M, 1,009.50%, 10/25/20                 |     | (j)          | 279          |
| Series 1990-136, Class S, 19.80%, 11/25/20 (b)                |     | 6            | 9,391        |
| Series 1991-38, Class N, 1,008.50%, 4/25/21                   |     | (j)          | 1            |
| Series 1991-99, Class L, 930.00%, 8/25/21                     |     | (j)          | 1,327        |
| Series 1991-139, Class PT, 648.30%, 10/25/21                  |     | (j)          | 1,241        |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (b)                  |     | 190          | 6,560        |
| Series G-10, Class S, 575.40%, 5/25/21 (b)                    |     | (j)          | 5,457        |
| Series G-12, Class S, 608.10%, 5/25/21 (b)                    |     | (j)          | 4,256        |
| Series G92-5, Class H, 9.00%, 1/25/22                         |     | 37           | 5,553        |
| Freddie Mac Mortgage-Backed Securities:                       |     |              |              |
| Series 176, Class M, 1,010.00%, 7/15/21                       |     | (j)          | 362          |
| Series 200, Class R, 98,522.80%, 12/15/22 (b)                 |     | (j)          | 7            |
| Series 1043, Class H, 21.94%, 2/15/21 (b)                     |     | 4            | 8,703        |
| Series 1054, Class I, 435.30%, 3/15/21 (b)                    |     | (j)          | 639          |
| Series 1056, Class KD, 1,084.50%, 3/15/21                     |     | (j)          | 750          |
| Series 1148, Class E, 592.50%, 10/15/21 (b)                   |     | (j)          | 2,593        |
| Series 1254, Class Z, 8.50%, 4/15/22                          |     | 76           | 16,167       |
| Series 2611, Class QL, 5.50%, 9/15/32                         |     | 2,405        | 317,147      |
|   |     |              | 381,741      |
| <b>Mortgage-Backed Securities 58.1%</b>                       |     |              |              |
| Fannie Mae Mortgage-Backed Securities (n):                    |     |              |              |
| 4.00%, 3/15/41  |     | 46,700       | 46,209,553   |
| 4.50%, 3/15/41  |     | 38,100       | 38,851,279   |
| 5.00%, 2/15/41 4/15/41  |     | 52,100       | 54,509,738   |
| 5.50%, 12/01/13 4/15/41                                       |     | 40,004       | 42,731,945   |
| 6.00%, 3/01/16 3/15/41  |     | 26,106       | 28,404,082   |
| Freddie Mac Mortgage-Backed Securities, 4.50%, 3/15/41 (n)    |     | 100          | 101,828      |
| Ginnie Mae Mortgage-Backed Securities, 8.00%, 4/15/24 6/15/25 |     | 20           | 24,043       |
|   |     |              | 210,832,468  |



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**Principal Only Collateralized Mortgage**

**Obligations 0.0%**

|   |    |        |
|---|----|--------|
| Fannie Mae Mortgage-Backed Securities:  |    |        |
| Series 203, Class 1, 2/01/23            | 11 | 9,463  |
| Series 228, Class 1, 6/01/23            | 7  | 6,332  |
| Series 1993-51, Class E, 2/25/23        | 35 | 31,264 |
| Series 1993-70, Class A, 5/25/23        | 5  | 4,701  |
| Freddie Mac Mortgage-Backed Securities, |    |        |
| Series 1739, Class B, 2/15/24           | 24 | 23,342 |
|   |    | 75,102 |

**Total U.S. Government Sponsored Agency Securities 62.9%** 228,357,305

| U.S. Treasury Obligations                    | Par<br>(000) | Value        |
|--|--------------|--------------|
| U.S. Treasury Bonds (d):                     |              |              |
| 8.13%, 8/15/21                               | USD 1,550    | \$ 2,189,617 |
| 8.00%, 11/15/21                              | 7,065        | 9,916,392    |
| 6.25%, 8/15/23                               | 4,990        | 6,227,365    |
| 3.50%, 2/15/39                               | 2,865        | 2,409,287    |
| 4.38%, 5/15/40                               | 8,225        | 8,063,050    |
| 3.88%, 8/15/40                               | 1,335        | 1,198,579    |
| 4.25%, 11/15/40                              | 12,900       | 12,373,925   |
| 4.75%, 2/15/41                               | 4,855        | 5,062,852    |
| U.S. Treasury Notes:                         |              |              |
| 0.63%, 1/31/13 (d)                           | 9,700        | 9,695,072    |
| 0.50%, 10/15/13 (d)                          | 2,745        | 2,710,687    |
| 1.25%, 2/15/14 (d)                           | 1,855        | 1,859,638    |
| 2.00%, 1/31/16 (d)                           | 8,495        | 8,454,513    |
| 2.63%, 1/31/18 (d)                           | 2,595        | 2,566,009    |
| 2.63%, 8/15/20                               | 1,105        | 1,038,700    |
| 2.63%, 11/15/20 (d)                          | 15,229       | 14,248,165   |
| 3.63%, 2/15/21 (d)                           | 3,520        | 3,582,149    |
| 4.25%, 5/15/39 (d)                           | 2,770        | 2,665,261    |
| <b>Total U.S. Treasury Obligations 26.0%</b> |              | 94,261,261   |

| Warrants (o)  | Shares |
|---|--------|
| <b>Media 0.0%</b>   |        |
| CMP Susquehanna Radio Holdings Corp.<br>(Expires 3/26/19) (a) | 14,710 |
| <b>Software 0.0%</b>  |        |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)    | 101    |
| <b>Total Warrants 0.0%</b>                                    | 1      |

**Total Long-Term Investments**  
(Cost \$706,365,317) **199.1%** 721,538,766

**Short-Term Securities**

|   |           |           |
|---|-----------|-----------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (p)(q) | 6,527,500 | 6,527,500 |
|---|-----------|-----------|

|   |  |           |
|---|--|-----------|
| <b>Total Short-Term Securities</b><br>(Cost \$6,527,500) 1.8% |  | 6,527,500 |
|---|--|-----------|

**Options Purchased**

**Contracts**

**Exchange-Traded Call Options 0.0%**

|  |    |        |
|--|----|--------|
| Ten-Year U.S. Treasury Bond, Strike Price<br>USD 120.50, Expires 5/20/11 | 98 | 93,406 |
|--|----|--------|

**Exchange-Traded Put Options 0.1%**

|   |     |         |
|---|-----|---------|
| Ten-Year U.S. Treasury Bond, Strike Price<br>USD 117.50, Expires 3/25/11        | 71  | 26,625  |
| Eurodollar 1-Year Mid-Curve Options, Strike Price<br>USD 98.25, Expires 9/16/11 | 265 | 175,562 |

202,187

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)  
(Percentages shown are based on Net Assets)

| Options Purchased  |     | Notional<br>Amount<br>(000) |    | Value   |
|--|-----|-----------------------------|----|---------|
| <b>Over-the-Counter Call Swaptions 0.8%</b>  |     |                             |    |         |
| Receive a fixed rate of 4.22% and pay a floating rate based on 3-month LIBOR, Expires 4/29/11,<br>Broker Credit Suisse International | USD | 4,500                       | \$ | 242,224 |
| Receive a fixed rate of 3.65% and pay a floating rate based on 3-month LIBOR, Expires 5/05/11,<br>Broker Credit Suisse International |     | 5,600                       |    | 96,277  |
| Receive a fixed rate of 4.01% and pay a floating rate based on 3-month LIBOR, Expires 5/16/11,<br>Broker Goldman Sachs Bank USA      |     | 6,000                       |    | 229,883 |
| Receive a fixed rate of 3.86% and pay a floating rate based on 3-month LIBOR, Expires 5/19/11,<br>Broker JPMorgan Chase Bank NA      |     | 10,700                      |    | 306,334 |
| Receive a fixed rate of 3.00% and pay a floating rate based on 3-month LIBOR, Expires 9/02/11,<br>Broker UBS AG                      |     | 5,000                       |    | 21,333  |
| Receive a fixed rate of 3.12% and pay a floating rate based on 3-month LIBOR, Expires 11/08/11,<br>Broker Deutsche Bank AG           |     | 3,000                       |    | 21,765  |
| Receive a fixed rate of 3.54% and pay a floating rate based on 3-month LIBOR, Expires 12/01/11,<br>Broker Citibank NA                |     | 6,500                       |    | 113,658 |
| Receive a fixed rate of 3.63% and pay a floating rate based on 3-month LIBOR, Expires 12/02/11,<br>Broker Deutsche Bank AG           |     | 3,100                       |    | 63,911  |
| Receive a fixed rate of 3.99% and pay a floating rate based on 3-month LIBOR, Expires 1/12/12,<br>Broker UBS AG                      |     | 1,700                       |    | 59,531  |
| Receive a fixed rate of 1.76% and pay a floating rate based on 3-month LIBOR, Expires 1/26/12,<br>Broker Deutsche Bank AG            |     | 9,300                       |    | 61,470  |
| Receive a fixed rate of 4.29% and pay a floating rate based on 3-month LIBOR, Expires 2/06/12,<br>Broker UBS AG                      |     | 2,100                       |    | 104,266 |
| Receive a fixed rate of 4.33% and pay a floating rate based on 3-month LIBOR, Expires 2/07/12,<br>Broker Goldman Sachs Bank USA      |     | 2,100                       |    | 108,757 |
| Receive a fixed rate of 4.39% and pay a floating rate based on 3-month LIBOR, Expires 5/08/12,<br>Broker Citibank NA                 |     | 2,300                       |    | 120,531 |
| Receive a fixed rate of 3.89% and pay a floating rate based on 3-month LIBOR, Expires 7/09/12,<br>Broker Goldman Sachs Bank USA      |     | 4,200                       |    | 124,617 |
| Receive a fixed rate of 3.93% and pay a floating rate based on 3-month LIBOR, Expires 7/16/12,<br>Broker Goldman Sachs Bank USA      |     | 4,700                       |    | 146,009 |
| Receive a fixed rate of 3.70% and pay a floating rate based on 3-month LIBOR, Expires 8/03/12,<br>Broker Credit Suisse International |     | 4,700                       |    | 111,208 |
|  |     | 4,000                       |    | 57,019  |

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|  |       |           |
|--|-------|-----------|
| Receive a fixed rate of 3.30% and pay a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker JPMorgan Chase Bank NA |       |           |
| Receive a fixed rate of 3.46% and pay a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker UBS AG                 | 5,500 | 96,396    |
| Receive a fixed rate of 3.81% and pay a floating rate based on 3-month LIBOR, Expires 9/17/13,<br>Broker Citibank NA             | 1,400 | 37,306    |
| Receive a fixed rate of 3.88% and pay a floating rate based on 3-month LIBOR, Expires 10/28/13,<br>Broker Deutsche Bank AG       | 1,600 | 45,792    |
| Receive a fixed rate of 5.20% and pay a floating rate based on 3-month LIBOR, Expires 4/28/15,<br>Broker Citibank NA             | 9,300 | 661,248   |
|  |       | 2,829,535 |

| Options Purchased   | Notional Amount<br>(000) | Value     |
|---|--------------------------|-----------|
| <b>Over-the-Counter Put Options 0.0%</b>  |                          |           |
| EUR Put Option, Strike Price USD 86.00,<br>Expires 5/20/11, Broker Deutsche Bank AG | USD 2,915                | \$ 10,436 |
| JPY Put Option, Strike Price USD 1.32,<br>Expires 5/19/11, Broker Citibank NA       | 12,730                   | 121,035   |
|   |                          | 131,471   |

|  |        |         |
|--|--------|---------|
| <b>Over-the-Counter Put Swaptions 1.1%</b>   |        |         |
| Pay a fixed rate of 4.22% and receive a floating rate based on 3-month LIBOR, Expires 4/29/11,<br>Broker Credit Suisse International | 4,500  | 9,980   |
| Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 5/05/11,<br>Broker Credit Suisse International | 9,100  | 46,298  |
| Pay a fixed rate of 4.01% and receive a floating rate based on 3-month LIBOR, Expires 5/16/11,<br>Broker Goldman Sachs Bank USA      | 6,000  | 39,250  |
| Pay a fixed rate of 3.86% and receive a floating rate based on 3-month LIBOR, Expires 5/19/11,<br>Broker JPMorgan Chase Bank NA      | 10,700 | 111,360 |
| Pay a fixed rate of 3.00% and receive a floating rate based on 3-month LIBOR, Expires 9/02/11,<br>Broker UBS AG                      | 5,000  | 358,717 |
| Pay a fixed rate of 3.12% and receive a floating rate based on 3-month LIBOR, Expires 11/08/11,<br>Broker Deutsche Bank AG           | 3,000  | 216,492 |
| Pay a fixed rate of 3.54% and receive a floating rate based on 3-month LIBOR, Expires 12/01/11,<br>Broker Citibank NA                | 6,500  | 323,870 |
| Pay a fixed rate of 3.63% and receive a floating rate based on 3-month LIBOR, Expires 12/02/11,<br>Broker Deutsche Bank AG           | 3,100  | 139,605 |
| Pay a fixed rate of 3.99% and receive a floating rate based on 3-month LIBOR, Expires 1/12/12,<br>Broker UBS AG                      | 1,700  | 57,834  |

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|  |       |         |
|--|-------|---------|
| Pay a fixed rate of 1.76% and receive a floating rate based on 3-month LIBOR, Expires 1/26/12,<br>Broker Deutsche Bank AG            | 9,300 | 75,871  |
| Pay a fixed rate of 2.50% and receive a floating rate based on 3-month LIBOR, Expires 1/26/12,<br>Broker Deutsche Bank AG            | 4,400 | 17,401  |
| Pay a fixed rate of 4.29% and receive a floating rate based on 3-month LIBOR, Expires 2/06/12,<br>Broker UBS AG                      | 2,100 | 54,748  |
| Pay a fixed rate of 4.33% and receive a floating rate based on 3-month LIBOR, Expires 2/07/12,<br>Broker UBS AG                      | 2,100 | 52,458  |
| Pay a fixed rate of 4.39% and receive a floating rate based on 3-month LIBOR, Expires 5/08/12,<br>Broker Citibank NA                 | 2,300 | 71,660  |
| Pay a fixed rate of 3.89% and receive a floating rate based on 3-month LIBOR, Expires 7/09/12,<br>Broker Goldman Sachs Bank USA      | 4,200 | 237,206 |
| Pay a fixed rate of 3.93% and receive a floating rate based on 3-month LIBOR, Expires 7/16/12,<br>Broker Goldman Sachs Bank USA      | 4,700 | 259,789 |
| Pay a fixed rate of 3.70% and receive a floating rate based on 3-month LIBOR, Expires 8/03/12,<br>Broker Credit Suisse International | 4,700 | 319,991 |
| Pay a fixed rate of 3.46% and receive a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker UBS AG                     | 5,500 | 489,653 |
| Pay a fixed rate of 3.30% and receive a floating rate based on 3-month LIBOR, Expires 10/22/12,<br>Broker JPMorgan Chase Bank NA     | 4,000 | 393,370 |

See Notes to Financial Statements.

Schedule of Investments (continued)

**BlackRock Income Opportunity Trust, Inc. (BNA)**  
(Percentages shown are based on Net Assets)

| Options Purchased   | Notional<br>Amount<br>(000) | Value       |
|---|-----------------------------|-------------|
| <b>Over-the-Counter Put Swaptions (concluded)</b>   |                             |             |
| Pay a fixed rate of 3.81% and receive a floating rate based on 3-month LIBOR, Expires 9/17/13, Broker Citibank NA       | USD 1,400                   | \$ 130,147  |
| Pay a fixed rate of 3.88% and receive a floating rate based on 3-month LIBOR, Expires 10/28/13, Broker Deutsche Bank AG | 1,600                       | 145,958     |
| Pay a fixed rate of 5.20% and receive a floating rate based on 3-month LIBOR, Expires 4/28/15, Broker Citibank NA       | 9,300                       | 533,684     |
|   |                             | 4,085,342   |
| <b>Total Options Purchased</b><br>(Cost \$8,738,783) 2.0%   |                             | 7,341,941   |
| <b>Total Investments Before TBA Sale Commitments and Outstanding Options Written</b><br>(Cost \$721,631,600*) 202.9%    |                             | 735,408,207 |

| TBA Sale Commitments  | Par<br>(000) |               |
|---|--------------|---------------|
| Fannie Mae Mortgage-Backed Securities:                                |              |               |
| 4.00%, 3/15/41  | 34,100       | (33,620,486)  |
| 4.50%, 3/15/41  | 28,600       | (29,149,663)  |
| 5.00%, 2/15/41 4/15/41  | 47,000       | (49,169,880)  |
| 5.50%, 12/01/13 4/15/41   | 34,200       | (36,529,184)  |
| 6.00%, 3/01/16 3/15/41  | 32,000       | (34,746,082)  |
| <b>Total TBA Sale Commitments</b><br>(Proceeds \$182,488,008) (50.5)% |              | (183,215,295) |

| Options Written                            | Contracts |          |
|--|-----------|----------|
| <b>Exchange-Traded Call Options (0.1)%</b> |           |          |
| 10-Year U.S. Treasury Bond:                |           |          |
| Strike Price USD 122.50, Expires 5/20/11   | 98        | (39,813) |
| Strike Price USD 121.50, Expires 5/20/11   | 98        | (62,781) |

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(102,594)

**Exchange-Traded Put Options (0.0)%**

|  |     |          |
|--|-----|----------|
| Eurodollar 1-Year Mid-Curve Options, Strike Price USD 97.75, Expires 9/16/11 | 265 | (92,750) |
|--|-----|----------|

**Notional  
Amount  
(000)**

**Over-the-Counter Call Swaptions (1.2)%**

|  |     |       |           |
|--|-----|-------|-----------|
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 5/12/11, Broker Royal Bank of Scotland Plc | USD | 6,800 | (286,459) |
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 5/13/11, Broker BNP Paribas SA             |     | 3,500 | (146,820) |
| Pay a fixed rate of 3.86% and receive a floating rate based on 3-month LIBOR, Expires 6/02/11, Broker UBS AG                     |     | 5,000 | (145,657) |

**Notional  
Amount  
(000)**

**Value**

**Options Written**

**Over-the-Counter Call Swaptions (continued)**

|   |     |       |             |
|---|-----|-------|-------------|
| Pay a fixed rate of 3.82% and receive a floating rate based on 3-month LIBOR, Expires 12/08/11, Broker JPMorgan Chase Bank NA | USD | 3,200 | \$ (89,139) |
| Pay a fixed rate of 3.83% and receive a floating rate based on 3-month LIBOR, Expires 12/12/11, Broker JPMorgan Chase Bank NA |     | 2,300 | (64,772)    |
| Pay a fixed rate of 3.85% and receive a floating rate based on 3-month LIBOR, Expires 12/12/11, Broker UBS AG                 |     | 1,300 | (38,141)    |
| Pay a fixed rate of 3.95% and receive a floating rate based on 3-month LIBOR, Expires 12/13/11, Broker Goldman Sachs Bank USA |     | 2,000 | (67,260)    |
| Pay a fixed rate of 4.00% and receive a floating rate based on 3-month LIBOR, Expires 1/05/12, Broker JPMorgan Chase Bank NA  |     | 3,000 | (106,829)   |
| Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 2/02/12, Broker Goldman Sachs Bank USA  |     | 2,800 | (100,718)   |
| Pay a fixed rate of 4.02% and receive a floating rate based on 3-month LIBOR, Expires 2/02/12, Broker UBS AG                  |     | 3,500 | (126,693)   |
| Pay a fixed rate of 2.08% and receive a floating rate based on 3-month LIBOR, Expires 2/07/12, Broker Goldman Sachs Bank USA  |     | 9,200 | (95,982)    |
| Pay a fixed rate of 4.14% and receive a floating rate based on 3-month LIBOR, Expires 6/15/12, Broker Deutsche Bank AG        |     | 3,500 | (139,282)   |
| Pay a fixed rate of 4.05% and receive a floating rate based on 3-month LIBOR, Expires 6/18/12, Broker Deutsche Bank AG        |     | 3,500 | (126,281)   |

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|  |       |           |
|--|-------|-----------|
| Pay a fixed rate of 3.83% and receive a floating rate based on 3-month LIBOR, Expires 7/30/12,<br>Broker Citibank NA                 | 1,700 | (47,122)  |
| Pay a fixed rate of 3.77% and receive a floating rate based on 3-month LIBOR, Expires 11/23/12,<br>Broker UBS AG                     | 3,300 | (84,998)  |
| Pay a fixed rate of 3.86% and receive a floating rate based on 3-month LIBOR, Expires 11/23/12,<br>Broker Deutsche Bank AG           | 4,600 | (129,889) |
| Pay a fixed rate of 4.03% and receive a floating rate based on 3-month LIBOR, Expires 12/06/12,<br>Broker UBS AG                     | 2,000 | (67,904)  |
| Pay a fixed rate of 4.90% and receive a floating rate based on 3-month LIBOR, Expires 3/04/13,<br>Broker Deutsche Bank AG            | 4,800 | (337,450) |
| Pay a fixed rate of 4.92% and receive a floating rate based on 3-month LIBOR, Expires 3/05/13,<br>Broker Deutsche Bank AG            | 3,300 | (236,180) |
| Pay a fixed rate of 5.00% and receive a floating rate based on 3-month LIBOR, Expires 4/22/13,<br>Broker JPMorgan Chase Bank NA      | 6,000 | (446,584) |
| Pay a fixed rate of 4.32% and receive a floating rate based on 3-month LIBOR, Expires 5/28/13,<br>Broker Royal Bank of Scotland Plc  | 500   | (21,535)  |
| Pay a fixed rate of 4.07% and receive a floating rate based on 3-month LIBOR, Expires 7/08/13,<br>Broker Deutsche Bank AG            | 1,700 | (58,418)  |
| Pay a fixed rate of 4.06% and receive a floating rate based on 3-month LIBOR, Expires 7/15/13,<br>Broker Credit Suisse International | 2,600 | (88,458)  |
| Pay a fixed rate of 5.33% and receive a floating rate based on 3-month LIBOR, Expires 7/17/13,<br>Broker JPMorgan Chase Bank NA      | 9,200 | (620,266) |

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock Income Opportunity Trust, Inc. (BNA)**  
(Percentages shown are based on Net Assets)

| Options Written   |     | Notional<br>Amount<br>(000) | Value              |
|---|-----|-----------------------------|--------------------|
| <b>Over-the-Counter Call Swaptions (concluded)</b>  |     |                             |                    |
| Pay a fixed rate of 3.44% and receive a floating rate based on 6-month EURIBOR, Expires 10/21/13,<br>Broker Deutsche Bank AG        | EUR | 1,300                       | \$ (684)           |
| Pay a fixed rate of 4.76% and receive a floating rate based on 3-month LIBOR, Expires 1/27/14,<br>Broker Royal Bank of Scotland Plc | USD | 1,000                       | (57,902)           |
| Pay a fixed rate of 5.08% and receive a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Bank of America NA         |     | 3,500                       | (249,986)          |
| Pay a fixed rate of 5.11% and receive a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Citibank NA                |     | 3,800                       | (275,804)          |
| Pay a fixed rate of 4.84% and receive a floating rate based on 3-month LIBOR, Expires 12/02/14,<br>Broker JPMorgan Chase Bank NA    |     | 2,600                       | (150,947)          |
|   |     |                             | <u>(4,408,160)</u> |
| <b>Over-the-Counter Put Swaptions (1.2)%</b>  |     |                             |                    |
| Receive a fixed rate of 1.80% and pay a floating rate based on 3-month LIBOR, Expires 3/02/11,<br>Broker Royal Bank of Scotland Plc |     | 13,900                      | (366,111)          |
| Receive a fixed rate of 2.15% and pay a floating rate based on 3-month LIBOR, Expires 4/26/11,<br>Broker Deutsche Bank AG           |     | 3,700                       | (64,791)           |
| Receive a fixed rate of 4.06% and pay a floating rate based on 3-month LIBOR, Expires 5/12/11,<br>Broker Royal Bank of Scotland Plc |     | 6,800                       | (35,210)           |
| Receive a fixed rate of 4.06% and pay a floating rate based on 3-month LIBOR, Expires 5/13/11,<br>Broker BNP Paribas SA             |     | 3,500                       | (18,610)           |
| Receive a fixed rate of 3.86% and pay a floating rate based on 3-month LIBOR, Expires 6/02/11,<br>Broker UBS AG                     |     | 5,000                       | (60,879)           |
| Receive a fixed rate of 3.82% and pay a floating rate based on 3-month LIBOR, Expires 12/08/11,<br>Broker JPMorgan Chase Bank NA    |     | 3,200                       | (118,383)          |
| Receive a fixed rate of 3.83% and pay a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker JPMorgan Chase Bank NA    |     | 2,300                       | (85,302)           |
| Receive a fixed rate of 3.85% and pay a floating rate based on 3-month LIBOR, Expires 12/12/11,<br>Broker UBS AG                    |     | 1,300                       | (46,681)           |
| Receive a fixed rate of 3.95% and pay a floating rate based on 3-month LIBOR, Expires 12/13/11,<br>Broker Goldman Sachs Bank USA    |     | 2,000                       | (64,300)           |
| Receive a fixed rate of 4.00% and pay a floating rate based on 3-month LIBOR, Expires 1/05/12,                                      |     | 3,000                       | (98,522)           |

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|   |       |           |
|---|-------|-----------|
| Broker JPMorgan Chase Bank NA<br>Receive a fixed rate of 4.02% and pay a floating rate<br>based on 3-month LIBOR, Expires 2/02/12,<br>Broker Goldman Sachs Bank USA | 2,800 | (98,545)  |
| Receive a fixed rate of 4.02% and pay a floating rate<br>based on 3-month LIBOR, Expires 2/02/12,<br>Broker UBS AG  | 3,500 | (122,512) |
| Receive a fixed rate of 2.08% and pay a floating rate<br>based on 3-month LIBOR, Expires 2/07/12,<br>Broker Goldman Sachs Bank USA                                  | 9,200 | (58,283)  |
| Receive a fixed rate of 4.14% and pay a floating rate<br>based on 3-month LIBOR, Expires 6/15/12,<br>Broker Deutsche Bank AG  | 3,500 | (151,880) |
| Receive a fixed rate of 4.05% and pay a floating rate<br>based on 3-month LIBOR, Expires 6/18/12,<br>Broker Deutsche Bank AG  | 3,500 | (165,142) |

| Options Written   | Notional<br>Amount<br>(000) | Value        |
|---|-----------------------------|--------------|
| <b>Over-the-Counter Put Swaptions (concluded)</b>   |                             |              |
| Receive a fixed rate of 3.83% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/30/12,<br>Broker Citibank NA                 | USD 1,700                   | \$ (103,849) |
| Receive a fixed rate of 3.77% and pay a floating rate<br>based on 3-month LIBOR, Expires 11/23/12,<br>Broker UBS AG                     | 3,300                       | (245,375)    |
| Receive a fixed rate of 3.86% and pay a floating rate<br>based on 3-month LIBOR, Expires 11/23/12,<br>Broker Deutsche Bank AG           | 4,600                       | (322,745)    |
| Receive a fixed rate of 4.03% and pay a floating rate<br>based on 3-month LIBOR, Expires 12/06/12,<br>Broker UBS AG                     | 2,000                       | (125,738)    |
| Receive a fixed rate of 4.90% and pay a floating rate<br>based on 3-month LIBOR, Expires 3/04/13,<br>Broker Deutsche Bank AG            | 4,800                       | (177,227)    |
| Receive a fixed rate of 4.92% and pay a floating rate<br>based on 3-month LIBOR, Expires 3/05/13,<br>Broker Deutsche Bank AG            | 3,300                       | (119,714)    |
| Receive a fixed rate of 5.00% and pay a floating rate<br>based on 3-month LIBOR, Expires 4/22/13,<br>Broker JPMorgan Chase Bank NA      | 6,000                       | (220,149)    |
| Receive a fixed rate of 4.32% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/28/13,<br>Broker Royal Bank of Scotland Plc  | 500                         | (31,169)     |
| Receive a fixed rate of 4.07% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/08/13,<br>Broker Deutsche Bank AG            | 1,700                       | (128,711)    |
| Receive a fixed rate of 4.06% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/15/13,<br>Broker Credit Suisse International | 2,600                       | (199,177)    |
| Receive a fixed rate of 5.33% and pay a floating rate<br>based on 3-month LIBOR, Expires 7/17/13,<br>Broker JPMorgan Chase Bank NA      | 9,200                       | (136,384)    |
| Receive a fixed rate of 3.44% and pay a floating rate<br>based on 6-month EURIBOR, Expires 10/21/13,<br>Broker Deutsche Bank AG         | EUR 1,300                   | (504)        |
| Receive a fixed rate of 4.76% and pay a floating rate<br>based on 3-month LIBOR, Expires 1/27/14,<br>Broker Royal Bank of Scotland Plc  | USD 1,000                   | (57,495)     |

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|  |       |                       |
|--|-------|-----------------------|
| Receive a fixed rate of 5.08% and pay a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Bank of America NA      | 3,500 | (166,547)             |
| Receive a fixed rate of 5.11% and pay a floating rate based on 3-month LIBOR, Expires 2/10/14,<br>Broker Citibank NA             | 3,800 | (177,947)             |
| Receive a fixed rate of 4.84% and pay a floating rate based on 3-month LIBOR, Expires 12/02/14,<br>Broker JPMorgan Chase Bank NA | 2,600 | (171,569)             |
| Receive a fixed rate of 4.47% and pay a floating rate based on 3-month LIBOR, Expires 8/05/15,<br>Broker JPMorgan Chase Bank NA  | 7,900 | (364,095)             |
|  |       | <u>(4,303,546)</u>    |
| <b>Total Options Written</b><br><b>(Premiums Received \$9,476,295) (2.5)%</b>  |       | <u>(8,907,050)</u>    |
| <b>Total Investments, Net of TBA Sale</b>  |       |                       |
| <b>Commitments and Options Written 149.9%</b>  |       | 543,285,862           |
| <b>Liabilities in Excess of Other Assets (49.9)%</b>   |       | <u>(180,905,113)</u>  |
| <b>Net Assets 100.0%</b>   |       | <u>\$ 362,380,749</u> |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)

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

|                               |                |
|-------------------------------|----------------|
| Aggregate cost                | \$ 722,238,300 |
| Gross unrealized appreciation | \$ 24,422,660  |
| Gross unrealized depreciation | (11,252,753)   |
| Net unrealized appreciation   | \$ 13,169,907  |

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (e) All or a portion of security has been pledged as collateral in connection with swaps.
- (f) Issuer filed for bankruptcy and/or is in default of interest payments.
- (g) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                       | Value      | Unrealized<br>Appreciation |
|------------------------------------|------------|----------------------------|
| Credit Suisse Securities (USA) LLC | \$ 416,556 | \$ 1,556                   |

- (j) Amount is less than \$1,000.
- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (l) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (m) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (n) Represents or includes a TBA transaction. Unsettled TBA transactions as of report date were as follows:

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| Counterparty                          | Value           | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------------------|-----------------|--|
| Banque Nationale De Paris             | \$ 1,157,810    | \$ 2,810                                     |
| Citigroup Global Markets Inc.         | \$ (2,723,970)  | \$ (89,735)                                  |
| Credit Suisse Securities (USA) LLC    | \$ 12,397,500   | \$ 141,187                                   |
| Deutsche Bank Securities, Inc.        | \$ (29,371,435) | \$ 28,674                                    |
| Goldman Sachs & Co.                   | \$ (40,359)     | \$ 82,071                                    |
| Greenwich Financial Services          | \$ 4,220,505    | \$ 51,161                                    |
| JPMorgan                              | \$ 2,267,657    | \$ 27,204                                    |
| Morgan Stanley & Co., Inc.            | \$ (44,682)     | \$ (854)                                     |
| Nomura Securities International, Inc. | \$ 35,541,936   | \$ 468,467                                   |
| UBS Securities                        | \$ 884,780      | \$ 32,030                                    |

- (o) Warrants entitle the Trust 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.
- (p) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--|--------------------------------------|-----------------|--|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class |                                      | 6,527,500       | 6,527,500                              | \$ 1,327 |

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

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Reverse repurchase agreements outstanding as of February 28, 2011 were as follows:

| Counterparty                       | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Net Closing<br>Amount | Face<br>Amount |
|------------------------------------|------------------|---------------|------------------|-----------------------|----------------|
| Barclays Capital, Inc.             | 0.28%            | 10/19/10      | Open             | \$ 6,335,509          | \$ 6,328,962   |
| UBS Securities LLC                 | 0.38%            | 11/3/10       | Open             | 2,407,768             | 2,404,773      |
| UBS Securities LLC                 | 0.38%            | 11/4/10       | Open             | 3,174,541             | 3,170,625      |
| Credit Suisse Securities (USA) LLC | 0.40%            | 11/22/10      | Open             | 2,059,263             | 2,057,000      |
| Merrill Lynch                      | 0.00%            | 12/13/10      | Open             | 29,477,013            | 29,477,013     |
| Deutsche Bank, NA                  | 0.40%            | 12/14/10      | Open             | 2,501,826             | 2,499,687      |
| Deutsche Bank, NA                  | 0.40%            | 12/16/10      | Open             | 4,473,725             | 4,470,000      |
| Deutsche Bank, NA                  | 0.40%            | 12/17/10      | Open             | 5,629,876             | 5,625,250      |
| Credit Suisse Securities (USA) LLC | 0.40%            | 12/22/10      | Open             | 1,840,410             | 1,839,000      |
| UBS Securities LLC                 | 0.38%            | 1/10/11       | Open             | 11,656,215            | 11,650,066     |

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|                                    |       |         |         |                       |                       |
|------------------------------------|-------|---------|---------|-----------------------|-----------------------|
| Credit Suisse Securities (USA) LLC | 0.26% | 1/19/11 | Open    | 2,429,793             | 2,429,080             |
| BNP Paribas Securities Corp.       | 0.21% | 1/21/11 | Open    | 799,494               | 799,313               |
| Credit Suisse Securities (USA) LLC | 0.40% | 1/21/11 | Open    | 1,631,707             | 1,631,000             |
| Deutsche Bank, NA                  | 0.40% | 1/26/11 | Open    | 4,408,415             | 4,406,750             |
| Credit Suisse Securities (USA) LLC | 0.40% | 1/27/11 | Open    | 7,703,355             | 7,700,531             |
| BNP Paribas Securities Corp.       | 0.23% | 2/10/11 | 3/10/11 | 2,482,301             | 2,482,000             |
| Credit Suisse Securities (USA) LLC | 0.19% | 2/14/11 | 3/15/11 | 3,878,724             | 3,878,437             |
| Credit Suisse Securities (USA) LLC | 0.45% | 2/24/11 | 3/11/11 | 8,634,775             | 8,634,344             |
| Deutsche Bank, NA                  | 0.14% | 2/28/11 | 3/01/11 | 8,484,414             | 8,484,381             |
| Deutsche Bank, NA                  | 0.23% | 2/28/11 | 3/01/11 | 12,480,830            | 12,480,750            |
| BNP Paribas Securities Corp.       | 0.15% | 2/28/11 | 3/01/11 | 1,857,326             | 1,857,319             |
| BNP Paribas Securities Corp.       | 0.24% | 2/28/11 | 3/01/11 | 1,485,010             | 1,485,000             |
| Barclays Capital, Inc.             | 0.18% | 2/28/11 | 3/01/11 | 9,700,049             | 9,700,000             |
| Credit Suisse Securities (USA) LLC | 0.03% | 2/28/11 | 3/01/11 | 3,118,640             | 3,118,638             |
| Credit Suisse Securities (USA) LLC | 0.18% | 2/28/11 | 3/01/11 | 14,352,933            | 14,352,861            |
| Credit Suisse Securities (USA) LLC | 0.19% | 2/28/11 | 3/01/11 | 5,297,197             | 5,297,169             |
| <b>Total</b>                       |       |         |         | <b>\$ 158,301,109</b> | <b>\$ 158,259,949</b> |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Income Opportunity Trust, Inc. (BNA)

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

| Currency Purchased |             | Currency Sold |             | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-------------|---------------|-------------|----------------------------|-----------------|--|
| INR                | 82,506,550  | USD           | 1,805,000   | Goldman Sachs Bank USA     | 3/01/11         | \$ 17,745                              |
| INR                | 249,144,150 | USD           | 5,478,654   | Morgan Stanley & Co., Inc. | 3/01/11         | 25,469                                 |
| USD                | 5,427,731   | INR           | 249,144,150 | Morgan Stanley & Co., Inc. | 3/01/11         | (76,392)                               |
| USD                | 1,818,527   | INR           | 82,506,550  | Goldman Sachs Bank USA     | 3/01/11         | (4,218)                                |
| EUR                | 4,335,000   | USD           | 5,829,200   | BNP Paribas SA             | 3/03/11         | 152,808                                |
| EUR                | 2,405,000   | USD           | 3,189,025   | Citibank NA                | 3/03/11         | 129,714                                |
| EUR                | 2,030,000   | USD           | 2,669,912   | Royal Bank of Scotland     | 3/03/11         | 131,350                                |
| EUR                | 1,330,000   | USD           | 1,780,954   | UBS AG                     | 3/03/11         | 54,355                                 |
| USD                | 1,773,131   | EUR           | 1,350,000   | BNP Paribas SA             | 3/03/11         | (89,778)                               |
| USD                | 4,430,235   | EUR           | 3,350,000   | Citibank NA                | 3/03/11         | (192,539)                              |
| USD                | 3,574,851   | EUR           | 2,695,000   | Deutsche Bank AG           | 3/03/11         | (144,068)                              |
| USD                | 3,572,683   | EUR           | 2,705,000   | Goldman Sachs Bank USA     | 3/03/11         | (160,035)                              |
| EUR                | 840,000     | USD           | 1,132,236   | Citibank NA                | 3/23/11         | 26,617                                 |
| USD                | 1,084,509   | EUR           | 840,000     | UBS AG                     | 3/23/11         | (74,344)                               |
| USD                | 832,260     | GBP           | 533,500     | Citibank NA                | 4/14/11         | (34,704)                               |
| USD                | 429,150     | GBP           | 267,000     | Deutsche Bank AG           | 4/14/11         | (4,739)                                |
| USD                | 450,577     | GBP           | 279,500     | UBS AG                     | 4/14/11         | (3,624)                                |
| USD                | 123,963     | GBP           | 77,000      | Royal Bank of Scotland     | 4/14/11         | (1,164)                                |
| USD                | 3,020,964   | EUR           | 2,207,500   | Citibank NA                | 4/27/11         | (23,201)                               |
| EUR                | 1,025,000   | USD           | 1,404,948   | Citibank NA                | 5/06/11         | 8,368                                  |
| USD                | 1,381,434   | EUR           | 1,025,000   | UBS AG                     | 5/06/11         | (31,881)                               |
| <b>Total</b>       |             |               |             |                            |                 | \$ (294,261)                           |

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

| Contracts | Issue                     | Exchange               | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|-----------|---------------------------|------------------------|------------|----------------|--|
| 57        | 5-Year U.S. Treasury Note | Chicago Board of Trade | March 2011 | \$ 6,707,528   | \$ 11,348                              |
| 1         | Euro-Bund                 | Chicago Mercantile     | March 2011 | \$ 172,240     | (961)                                  |

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|              |                            |                        |            |               |                |
|--------------|----------------------------|------------------------|------------|---------------|----------------|
| 30           | Euro-Dollar                | Chicago Mercantile     | March 2011 | \$ 7,463,033  | 13,342         |
| 57           | 2-Year U.S. Treasury Bond  | Chicago Board of Trade | June 2011  | \$ 12,420,520 | 22,401         |
| 307          | 30-Year U.S. Treasury Bond | Chicago Board of Trade | June 2011  | \$ 36,818,338 | 127,194        |
| <b>Total</b> |                            |                        |            | \$            | <b>173,324</b> |

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

| Contracts    | Issue                            | Exchange               | Expiration Date | Notional Value | Unrealized Depreciation |
|--------------|----------------------------------|------------------------|-----------------|----------------|-------------------------|
| 45           | 2-Year U.S. Treasury Bond        | Chicago Board of Trade | March 2011      | \$ 9,853,971   | \$ (326)                |
| 414          | 10-Year U.S. Treasury Bond       | Chicago Board of Trade | March 2011      | \$ 49,464,855  | (357,458)               |
| 29           | 30-Year Ultra U.S. Treasury Bond | Eurex                  | March 2011      | \$ 3,512,119   | (114,693)               |
| 406          | 5-Year U.S. Treasury Bond        | Chicago Board of Trade | June 2011       | \$ 47,236,246  | (240,379)               |
| 102          | 10-Year U.S. Treasury Note       | Chicago Board of Trade | June 2011       | \$ 12,004,231  | (138,550)               |
| 60           | Euro-Dollar                      | Chicago Mercantile     | December 2011   | \$ 14,836,350  | (72,150)                |
| <b>Total</b> |                                  |                        |                 | \$             | <b>(923,556)</b>        |

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

| Issuer                 | Pay Fixed Rate | Counterparty                 | Expiration | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|------------------------|----------------|------------------------------|------------|-----------------------|--|
| Radian Group, Inc.     | 5.00%          | Citibank NA                  | 3/20/13    | \$ 1,400              | \$ (77,694)                            |
| Radian Group, Inc.     | 5.00%          | Citibank NA                  | 6/20/15    | \$ 1,400              | (67,048)                               |
| MGIC Investment Corp.  | 5.00%          | Citibank NA                  | 12/20/15   | \$ 840                | (41,442)                               |
| Spain (Kingdom of)     | 1.00%          | Citibank NA                  | 3/20/16    | \$ 936                | (2,742)                                |
| Spain (Kingdom of)     | 1.00%          | JPMorgan                     | 3/20/16    | \$ 4,682              | (6,637)                                |
| The PMI Group, Inc.    | 5.00%          | Chase Bank NA<br>Citibank NA | 9/20/16    | \$ 1,400              | 18,962                                 |
| The New York Times Co. | 1.00%          | Barclays Bank Plc            | 12/20/16   | \$ 1,800              | (34,752)                               |
| <b>Total</b>           |                |                              |            | \$                    | <b>(211,353)</b>                       |



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

| Index   | Pay<br>Fixed<br>Rate | Counterparty                                | Expiration | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|---|----------------------|---|------------|-----------------------------|----------------------------|
| Dow Jones<br>CDX Emerging<br>Markets Series 14                  | 5.00%                | Morgan<br>Stanley Capital<br>Services, Inc. | 12/20/15   | \$ 990                      | \$ (1,721)                 |
| Dow Jones CDX<br>North America<br>High Yield<br>Index Series 15 | 5.00%                | Credit Suisse<br>International              | 12/20/15   | \$ 5,000                    | (35,389)                   |
| <b>Total</b>  |                      |   |            |                             | <b>\$ (37,110)</b>         |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)

Interest rate swaps outstanding as of February 28, 2011 were as follows:

| Fixed Rate   | Floating Rate | Counterparty                          | Expiration Date | Notional Amount ('000) | Unrealized Appreciation (Depreciation) |
|--------------|---------------|---------------------------------------|-----------------|------------------------|--|
| 0.63% (a)    | 3-month LIBOR | Credit Suisse International           | 11/26/12        | \$ 23,200              | \$ 42,926                              |
| 0.96% (a)    | 3-month LIBOR | Deutsche Bank AG                      | 2/08/13         | \$ 7,600               | (16,877)                               |
| 0.92% (b)    | 3-month LIBOR | Credit Suisse International           | 2/28/13         | \$ 3,800               | 3,398                                  |
| 0.91% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 2/28/13         | \$ 6,100               | 3,642                                  |
| 1.32% (b)    | 3-month LIBOR | Morgan Stanley Capital Services, Inc. | 10/22/15        | \$ 1,500               | (59,070)                               |
| 1.35% (b)    | 3-month LIBOR | Credit Suisse International           | 10/25/15        | \$ 1,600               | (61,140)                               |
| 1.39% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 10/27/15        | \$ 1,900               | (69,978)                               |
| 3.73% (b)    | 3-month LIBOR | Credit Suisse International           | 2/15/21         | \$ 700                 | 12,597                                 |
| 3.74% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 2/15/21         | \$ 200                 | 3,772                                  |
| 3.77% (b)    | 3-month LIBOR | Morgan Stanley Capital Services, Inc. | 2/15/21         | \$ 1,300               | 27,748                                 |
| 3.67% (b)    | 3-month LIBOR | Credit Suisse International           | 2/22/21         | \$ 3,100               | 37,873                                 |
| 3.57% (b)    | 3-month LIBOR | Citibank NA                           | 2/25/21         | \$ 300                 | 1,233                                  |
| 4.47% (a)    | 3-month LIBOR | Barclays Bank Plc                     | 2/15/41         | \$ 1,400               | (49,853)                               |
| <b>Total</b> |               |                                       |                 |                        | <b>\$ (123,729)</b>                    |

(a) Pays fixed interest rate and receives floating rate.

(b) Pays floating interest rate and receives fixed rate.

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

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivatives and other significant accounting

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policies, please refer to Note 1 of the Notes to Financial Statements.

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

| Valuation Inputs                            | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                              |                     |                       |                     |                       |
| Investments in Securities:                  |                     |                       |                     |                       |
| Long-Term Investments:                      |                     |                       |                     |                       |
| Asset-Backed Securities                     |                     | \$ 15,965,455         | \$ 4,275,491        | \$ 20,240,946         |
| Common Stocks                               |                     | 532                   |                     | 532                   |
| Corporate Bonds                             |                     | 280,784,580           |                     | 280,784,580           |
| Foreign Agency Obligations                  |                     | 3,260,874             |                     | 3,260,874             |
| Non-Agency Mortgage-Backed Securities       |                     | 78,021,060            | 1,583,182           | 79,604,242            |
| Other Interests                             |                     |                       | 191                 | 191                   |
| Preferred Securities                        | \$ 202,906          | 3,051,662             |                     | 3,254,568             |
| Taxable Municipal Bonds                     |                     | 11,774,266            |                     | 11,774,266            |
| U.S. Government Sponsored Agency Securities |                     | 226,901,225           | 1,456,080           | 228,357,305           |
| U.S. Treasury Obligations                   |                     | 94,261,261            |                     | 94,261,261            |
| Warrants                                    |                     |                       | 1                   | 1                     |
| Short-Term Securities                       | 6,527,500           |                       |                     | 6,527,500             |
| <b>Liabilities:</b>                         |                     |                       |                     |                       |
| Investments in Securities:                  |                     |                       |                     |                       |
| Long-Term Investments:                      |                     |                       |                     |                       |
| TBA Sale Commitments                        |                     | (183,215,295)         |                     | (183,215,295)         |
| <b>Total</b>                                | <b>\$ 6,730,406</b> | <b>\$ 530,805,620</b> | <b>\$ 7,314,945</b> | <b>\$ 544,850,971</b> |

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Income Opportunity Trust, Inc. (BNA)

| Valuation Inputs                    | Derivative Financial Instruments <sup>1</sup> |                |         |                |
|-------------------------------------|---|----------------|---------|----------------|
|                                     | Level 1                                       | Level 2        | Level 3 | Total          |
| <b>Assets:</b>                      |   |                |         |                |
| Credit contracts                    |   | \$ 18,962      |         | \$ 18,962      |
| Foreign currency exchange contracts |   | 677,897        |         | 677,897        |
| Interest rate contracts             | \$ 469,878                                    | 7,048,066      |         | 7,517,944      |
| <b>Liabilities:</b>                 |   |                |         |                |
| Credit contracts                    |   | (267,425)      |         | (267,425)      |
| Foreign currency exchange contracts |   | (840,687)      |         | (840,687)      |
| Interest rate contracts             | (1,119,861)                                   | (8,968,624)    |         | (10,088,485)   |
| <b>Total</b>                        | \$ (649,983)                                  | \$ (2,331,811) |         | \$ (2,981,794) |

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

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

|  | Asset-Backed Securities | Common Stocks | Corporate Bonds | Non-Agency Mortgage-Backed Securities | Other Interests | Preferred Securities | U.S. Government Sponsored Agency Securities | Warrants | Total        |
|--|-------------------------|---------------|-----------------|---------------------------------------|-----------------|----------------------|---|----------|--------------|
| <b>Assets:</b>                                       |                         |               |                 |                                       |                 |                      |   |          |              |
| Balance, as of August 31, 2010                       | \$ 5,145,849            | \$ 13,235     | \$ 1,100        | \$ 2,331,908                          | \$ 381          | \$ 65,455            | \$ 1,499,795                                |          | \$ 9,057,723 |
| Accrued discounts/premiums                           | (37,773)                |               |                 | (5,361)                               |                 |                      | (2,757)                                     |          | (45,891)     |
| Net realized Gain (loss)                             | (37,408)                | (339,688)     |                 | 34,483                                |                 | 130,416              | (1,133)                                     |          | (213,330)    |
| Net change in appreciation/depreciation <sup>2</sup> | 564,997                 | 363,361       | 37,671          | (141,112)                             | (190)           | (13,289)             | (79,036)                                    | \$ 1     | 732,403      |
| Purchases  | 1,781,342               |               |                 | 1,582,889                             |                 |                      |   |          | 3,364,231    |
| Sales  |                         | (36,908)      |                 | (1,505,280)                           |                 | (182,582)            | 39,211                                      |          | (1,685,559)  |
| Transfers in <sup>3</sup>                            |                         |               |                 |                                       |                 |                      |   |          |              |
| Transfers out <sup>3</sup>                           | (3,141,516)             |               | (38,771)        | (714,345)                             |                 |                      |   |          | (3,894,632)  |
| <b>Balance, as of February 28, 2011</b>              | \$ 4,275,491            |               |                 | \$ 1,583,182                          | \$ 191          |                      | \$ 1,456,080                                | \$ 1     | \$ 7,314,945 |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$(717,307).

<sup>3</sup>

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The Trust's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock Income Trust, Inc. (BKT)**  
(Percentages shown are based on Net Assets)

| Asset-Backed Securities   | Par<br>(000) | Value        |
|---|--------------|--------------|
| First Franklin Mortgage Loan Asset-Backed Certificates, Series 2005-FF2, Class M2, 0.70%, 3/25/35 (a) | \$ 5,890     | \$ 5,373,164 |
| Freddie Mac Mortgage-Backed Securities, Series T-11, Class A9, 2.37%, 1/25/28 (a)                     | 2,549        | 2,500,361    |
| GSAA Home Equity Trust, Series 2005-1, Class AF2, 4.32%, 11/25/34 (a)                                 | 639          | 642,076      |
| Securitized Asset-Backed Receivables LLC Trust, Series 2005-OP2, Class M1, 0.69%, 10/25/35 (a)        | 1,875        | 1,326,437    |
| Small Business Administration Participation Certificates:   |              |              |
| Series 1996-20E, Class 1, 7.60%, 5/01/16  | 236          | 251,999      |
| Series 1996-20G, Class 1, 7.70%, 7/01/16  | 223          | 245,450      |
| Series 1996-20H, Class 1, 7.25%, 8/01/16  | 316          | 342,938      |
| Series 1996-20K, Class 1, 6.95%, 11/01/16   | 586          | 626,391      |
| Series 1997-20C, Class 1, 7.15%, 3/01/17  | 242          | 263,621      |
|   |              | 11,572,437   |
| <b>Interest Only 0.2%</b>   |              |              |
| Small Business Administration, Series 1, 1.00%, 4/01/15   | 2,056        | 20,561       |
| Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)                                    | 4,882        | 314,372      |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29  | 9            | 637,987      |
|   |              | 972,920      |
| <b>Total Asset-Backed Securities 2.5%</b>   |              | 12,545,357   |

**Non-Agency Mortgage-Backed Securities**

| Collateralized Mortgage Obligations 2.7%  |       |           |
|---|-------|-----------|
| Collateralized Mortgage Obligation Trust, Series 40, Class R, 580.50%, 4/01/18                    | (c)   | 143       |
| Countrywide Alternative Loan Trust, Series 2005-28CB, Class 1A5, 5.50%, 8/25/35                   | 1,289 | 1,235,499 |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust, Series 2006-AR5, Class 22A, 5.50%, 10/25/21 | 1,240 | 1,108,172 |
| Homebanc Mortgage Trust, Series 2005-4, Class A1, 0.53%, 10/25/35 (a)                             | 3,297 | 2,535,668 |
| JPMorgan Mortgage Trust, Series 2006-A7, Class 2A2, 5.71%, 1/25/37 (a)                            | 454   | 346,269   |
| Kidder Peabody Acceptance Corp., Series 1993-1, Class A6, 16.14%, 8/25/23 (a)                     | 54    | 59,512    |
| Residential Funding Securities LLC, Series 2003-RM2, Class A15, 8.50%, 5/25/33                    | 3,835 | 4,166,443 |
|   | 1,410 | 1,318,415 |

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|   |       |           |
|---|-------|-----------|
| Structured Adjustable Rate Mortgage Loan Trust,<br>Series 2004-11, Class A, 2.66%, 8/25/34 (a)<br>WaMu Mortgage Pass-Through Certificates,<br>Series 2006-AR1, Class 2A1C, 1.40%, 1/25/46 (a) | 5,330 | 2,702,706 |
|---|-------|-----------|

13,472,827

**Commercial Mortgage-Backed Securities 3.8%**

|   |        |            |
|---|--------|------------|
| Credit Suisse Mortgage Capital Certificates:<br>Series 2006-C5, Class A2, 5.25%, 12/15/39 (d) | 13,093 | 13,290,170 |
| Series 2007-C2, Class A3, 5.54%, 1/15/49 (a)  | 2,420  | 2,541,785  |
| First Union-Lehman Brothers Commercial Mortgage,<br>Series 1997-C2, Class D, 7.12%, 11/18/29  | 2,540  | 2,707,685  |

18,539,640

|  |                      |              |
|--|----------------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b> | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|

**Interest Only Collateralized Mortgage  
Obligations 1.2%**

|  |            |            |
|--|------------|------------|
| Bank of America Mortgage Securities, Inc.,<br>Series 2003-3, Class 1AIO, 0.29%, 5/25/18 (a)      | \$ 100,144 | \$ 829,489 |
| CitiMortgage Alternative Loan Trust, Series 2007-A5,<br>Class 1A7, 6.00%, 5/25/37                | 1,029      | 110,239    |
| Collateralized Mortgage Obligation Trust, Series 42,<br>Class R, 6,000.00%, 10/01/14             | (c)        | 484        |
| First Boston Mortgage Securities Corp., Series C,<br>Class I-O, 10.97%, 4/25/17                  | 28         | 4,236      |
| GSMPS Mortgage Loan Trust, Series 1998-5, Class IO,<br>0.97%, 6/19/27 (a)(b)                     | 5,140      | 134,908    |
| IndyMac INDX Mortgage Loan Trust, Series 2006-AR33,<br>Class 4AX, 0.17%, 1/25/37                 | 113,207    | 566,033    |
| MASTR Adjustable Rate Mortgages Trust,<br>Series 2004-3, Class 3AX, 0.98%, 4/25/34               | 13,744     | 154,615    |
| MASTR Alternative Loans Trust, Series 2003-9,<br>Class 15X2, 6.00%, 1/25/19                      | 674        | 96,057     |
| Morgan Stanley Mortgage Loan Trust, Series 2004-3,<br>Class 1AX, 5.00%, 5/25/19                  | 736        | 78,866     |
| Sequoia Mortgage Trust, Series 2005-2, Class XA,<br>1.00%, 3/20/35 (a)                           | 40,157     | 652,556    |
| Structured Adjustable Rate Mortgage Loan Trust:<br>Series 2005-18, Class 7AX, 5.50%, 9/25/35 (a) | 129        | 15,013     |
| Series 2005-20, Class 3AX, 5.50%, 10/25/35   | 1,764      | 202,820    |
| Series 2006-7, Class 3AS, 2.37%, 8/25/36 (a)   | 29,758     | 3,124,639  |
| Vendee Mortgage Trust, Series 1999-2, Class IIO,<br>0.05%, 5/15/29 (a)                           | 59,501     | 105,097    |

6,075,052

**Interest Only Commercial Mortgage-Backed  
Securities 0.0%**

|   |       |         |
|---|-------|---------|
| CS First Boston Mortgage Securities Corp.,<br>Series 1997-C1, Class AX, 1.67%, 6/20/29 (a)(b) | 3,045 | 101,718 |
| Morgan Stanley Capital I, Series 1997-HF1,<br>Class X, 3.44%, 7/15/29 (a)(b)                  | 22    | 8       |

101,726

**Principal Only Collateralized Mortgage****Obligations 0.8%**

## Countrywide Home Loan Mortgage Pass-Through Trust:

|                                   |       |           |
|-----------------------------------|-------|-----------|
| Series 2003-26, Class PO, 8/25/33 | 2,121 | 1,679,600 |
| Series 2003-J4, Class PO, 6/25/33 | 371   | 278,089   |
| Series 2003-J5, Class PO, 7/25/33 | 645   | 495,883   |
| Series 2003-J8, Class PO, 9/25/23 | 475   | 387,586   |

## Drexel Burnham Lambert CMO Trust, Class 1:

|                   |    |        |
|-------------------|----|--------|
| Series K, 9/23/17 | 11 | 11,119 |
| Series V, 9/01/18 | 55 | 54,947 |

MASTR Asset Securitization Trust, Series 2004-3,  
Class 4A15, 3/25/34

104 93,618

Residential Asset Securitization Trust, Series 2005-A15,  
Class 1A8, 2/25/36

946 612,166

Structured Mortgage Asset Residential Trust,  
Series 1993-3C, Class CX, 4/25/24

8 5,395

Washington Mutual Alternative Mortgage Pass-Through  
Certificates, Series 2005-9, Class CP, 11/25/35

642 423,926

4,042,329

**Total Non-Agency Mortgage-Backed Securities 8.5%**

42,231,574

See Notes to Financial Statements.



## Schedule of Investments (continued)

**BlackRock Income Trust, Inc. (BKT)**  
(Percentages shown are based on Net Assets)

| U.S. Government Sponsored Agency Securities  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Agency Obligations 2.2%</b>   |              |                   |
| Federal Housing Administration, General Motors Acceptance Corp. Projects, Series 56, 7.43%, 11/01/22 | \$ 225       | \$ 225,375        |
| Federal Housing Administration, Merrill Projects, Series 54, 7.43%, 5/15/23                          | 2            | 2,048             |
| Federal Housing Administration, Reilly Project, Series 41, 8.28%, 3/01/20                            | 599          | 598,822           |
| Federal Housing Administration, USGI Projects:   |              |                   |
| Series 87, 7.43%, 12/01/22   | 68           | 68,113            |
| Series 99, 7.43%, 6/01/21  | 4,564        | 4,563,634         |
| Series 99, 7.43%, 10/01/23   | 42           | 42,397            |
| Series 99, 7.43%, 10/01/23   | 125          | 125,265           |
| Resolution Funding Corp., 9.89%, 4/15/30 (e)   | 13,000       | 5,216,705         |
|  |              | <u>10,842,359</u> |
| <b>Collateralized Mortgage Obligations 13.2%</b>   |              |                   |
| Fannie Mae Mortgage-Backed Securities:   |              |                   |
| Series 1991-38, Class F, 8.33%, 4/25/21 (a)  | 3            | 2,665             |
| Series 1991-38, Class SA, 10.19%, 4/25/21 (a)  | 3            | 2,693             |
| Series 1991-46, Class S, 1,400.00%, 5/25/21 (a)  | (c)          | 6,051             |
| Series 1991-87, Class S, 25.94%, 8/25/21 (a)   | 62           | 91,637            |
| Series 1993-247, Class SN, 10.00%, 12/25/23 (a)  | 462          | 589,452           |
| Series 2003-32, Class VT, 6.00%, 9/25/15   | 4,479        | 4,607,060         |
| Series 2003-135, Class PB, 6.00%, 1/25/34  | 12,264       | 13,346,375        |
| Series 2004-29, Class HC, 7.50%, 7/25/30   | 686          | 724,988           |
| Series 2004-31, Class ZG, 7.50%, 5/25/34   | 3,036        | 3,524,826         |
| Series 2005-68, Class PC, 5.50%, 7/25/35   | 997          | 1,078,893         |
| Series 2005-73, Class DS, 16.87%, 8/25/35 (a)  | 3,386        | 4,235,625         |
| Series 2006-2, Class KP, 0.00%, 2/25/35 (a)  | 263          | 244,606           |
| Series G-7, Class S, 116.20%, 3/25/21 (a)  | (c)          | 3,820             |
| Series G-17, Class S, 580.11%, 6/25/21 (a)   | (c)          | 5,527             |
| Series G-33, Class PV, 1,078.42%, 10/25/21   | (c)          | 6,910             |
| Series G-49, Class S, 5.55%, 12/25/21 (a)  | (c)          | 2,382             |
| Freddie Mac Mortgage-Backed Securities:  |              |                   |
| Series 19, Class F, 8.50%, 3/15/20   | 101          | 109,672           |
| Series 19, Class R, 9,757.35%, 3/15/20 (a)   | (c)          | 1,591             |
| Series 40, Class K, 6.50%, 8/17/24   | 393          | 444,304           |
| Series 75, Class R, 9.50%, 1/15/21   | (c)          | 3                 |
| Series 75, Class RS, 22.67%, 1/15/21 (a)   | (c)          | 3                 |
| Series 173, Class R, 9.00%, 11/15/21   | (c)          | 15                |
| Series 173, Class RS, 9.19%, 11/15/21 (a)  | (c)          | 15                |
| Series 192, Class U, 1.01%, 2/15/22 (a)  | (c)          | 68                |
| Series 1057, Class J, 1,008.00%, 3/15/21   | (c)          | 2,497             |
| Series 1160, Class F, 38.83%, 10/15/21 (a)   | 21           | 40,052            |
| Series 1961, Class H, 6.50%, 5/15/12   | 2            | 2,365             |
| Series 2218, Class Z, 8.50%, 3/15/30   | 5,811        | 6,595,703         |
| Series 2542, Class UC, 6.00%, 12/15/22   | 9,589        | 10,539,926        |
| Series 2758, Class KV, 5.50%, 5/15/23  | 9,748        | 10,648,929        |

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|  |       |           |
|--|-------|-----------|
| Series 2765, Class UA, 4.00%, 3/15/11      | 75    | 75,239    |
| Series 2861, Class AX, 10.40%, 9/15/34 (a) | 279   | 310,072   |
| Series 2927, Class BZ, 5.50%, 2/15/35      | 2,884 | 3,058,577 |
| Ginnie Mae Mortgage-Backed Securities:     |       |           |
| Series 1996-5, Class Z, 7.00%, 5/16/26     | 609   | 665,860   |
| Series 2001-33, Class PB, 6.50%, 7/20/31   | 996   | 1,040,646 |
| Series 2004-89, Class PE, 6.00%, 10/20/34  | 3,392 | 3,702,513 |

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65,711,560

**Federal Deposit Insurance Corporation  
Guaranteed 0.8%**

|  |       |           |
|--|-------|-----------|
| Citigroup Funding, Inc., 1.88%, 10/22/12 | 3,800 | 3,877,315 |
|--|-------|-----------|

**U.S. Government Sponsored Agency Securities**

**Par  
(000) Value**

**Interest Only Collateralized Mortgage  
Obligations 2.6%**

Fannie Mae Mortgage-Backed Securities:

|  |        |           |
|--|--------|-----------|
| Series 7, Class 2, 8.50%, 4/01/17              | \$ 5   | \$ 812    |
| Series 89, Class 2, 8.00%, 10/01/18            | 9      | 1,244     |
| Series 94, Class 2, 9.50%, 8/01/21             | 3      | 751       |
| Series 1990-123, Class M, 1,009.50%, 10/25/20  | (c)    | 574       |
| Series 1990-136, Class S, 19.80%, 11/25/20 (a) | 14     | 20,009    |
| Series 1991-38, Class N, 1,008.50%, 4/25/21    | (c)    | 3         |
| Series 1991-99, Class L, 930.00%, 8/25/21      | (c)    | 2,849     |
| Series 1991-139, Class PT, 648.30%, 10/25/21   | (c)    | 2,665     |
| Series 1993-199, Class SB, 2.63%, 10/25/23 (a) | 921    | 125,528   |
| Series 1996-68, Class SC, 2.26%, 1/25/24 (a)   | 599    | 46,011    |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (a)   | 381    | 13,119    |
| Series 1997-90, Class M, 6.00%, 1/25/28        | 6,810  | 1,183,652 |
| Series 1999-W4, Class IO, 6.50%, 12/25/28      | 402    | 80,750    |
| Series 2005-43, Class IC, 6.00%, 3/25/34       | 12     | 156       |
| Series G-10, Class S, 575.40%, 5/25/21 (a)     | (c)    | 11,896    |
| Series G-12, Class S, 608.10%, 5/25/21 (a)     | (c)    | 9,272     |
| Series G-50, Class G, 1,158.60%, 12/25/21      | (c)    | 67        |
| Series G92-5, Class H, 9.00%, 1/25/22          | 96     | 14,280    |
| Series G92-12, Class C, 1,016.80%, 2/25/22     | (c)    | 5,786     |
| Series G92-60, Class SB, 1.60%, 10/25/22 (a)   | (c)    | 10,469    |
| Freddie Mac Mortgage-Backed Securities:        |        |           |
| Series 176, Class M, 1,010.00%, 7/15/21        | (c)    | 772       |
| Series 200, Class R, 98,522.80%, 12/15/22 (a)  | (c)    | 15        |
| Series 1043, Class H, 0.02%, 2/15/21 (a)       | 8,904  | 18,482    |
| Series 1054, Class I, 435.30%, 3/15/21 (a)     | (c)    | 1,372     |
| Series 1056, Class KD, 1,084.50%, 3/15/21      | (c)    | 1,610     |
| Series 1148, Class E, 592.50%, 10/15/21 (a)    | (c)    | 5,567     |
| Series 1914, Class PC, 0.75%, 12/15/11         | 164    | 297       |
| Series 2545, Class NI, 5.50%, 3/15/22          | 308    | 7,555     |
| Series 2559, Class IO, 5.00%, 8/15/30 (a)      | 233    | 2,972     |
| Series 2611, Class QI, 5.50%, 9/15/32          | 4,389  | 578,837   |
| Series 2949, Class IO, 5.50%, 3/15/35          | 761    | 66,812    |
| Ginnie Mae Mortgage-Backed Securities:         |        |           |
| Series 2009-92, Class SC, 5.86%, 10/16/39 (a)  | 12,075 | 1,514,632 |
| Series 2010-42 Class BS, 6.22%, 4/20/40 (a)    | 17,820 | 3,073,597 |
| Series 2010-47 Class AS, 6.18%, 4/20/40 (a)    | 24,057 | 3,696,093 |
| Series 2010-101, Class YT, 2.00%, 8/16/13      | 64,946 | 2,379,434 |

| <b>Mortgage-Backed Securities 168.2%</b>       |         |             |
|--|---------|-------------|
| <b>Fannie Mae Mortgage-Backed Securities:</b>  |         |             |
| 4.00%, 3/15/41 (f)                             | 59,500  | 58,663,311  |
| 4.50%, 8/01/25 3/15/41 (f)(g)                  | 210,102 | 215,270,523 |
| 5.00%, 1/01/23 4/15/41 (f)(g)                  | 177,903 | 186,670,568 |
| 5.50%, 3/15/26 4/15/41 (f)(g)                  | 240,255 | 257,406,300 |
| 5.97%, 8/01/16                                 | 3,074   | 3,386,357   |
| 6.00%, 10/01/37 3/15/41 (f)                    | 42,800  | 47,095,302  |
| 6.50%, 3/15/41 (f)                             | 49,900  | 55,700,875  |
| 7.50%, 2/01/22                                 | (d)     | 126         |
| 9.50%, 1/01/19 9/01/19                         | 3       | 3,534       |
| <b>Freddie Mac Mortgage-Backed Securities:</b> |         |             |
| 2.61%, 1/01/35 (a)                             | 206     | 207,786     |
| 4.51%, 11/01/17 (a)                            | 19      | 19,886      |
| 4.98%, 10/01/34 (a)                            | 541     | 565,997     |
| 5.00%, 2/01/22 4/01/22 (g)                     | 1,367   | 1,458,464   |
| 5.50%, 3/01/26 (f)                             | 7,000   | 7,538,125   |
| 9.00%, 9/01/20 (g)                             | 60      | 67,720      |
| <b>Ginnie Mae Mortgage-Backed Securities:</b>  |         |             |
| 7.50%, 8/15/21 12/15/23                        | 266     | 304,696     |
| 8.00%, 10/15/22 2/15/29                        | 91      | 107,194     |
| 9.00%, 6/15/18 9/15/21                         | 9       | 10,244      |
|  |         | 834,477,008 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Income Trust, Inc. (BKT)**  
(Percentages shown are based on Net Assets)

| U.S. Government Sponsored Agency Securities                     | Par<br>(000) | Value         |
|---|--------------|---------------|
| <b>Principal Only Collateralized Mortgage Obligations 0.5%</b>  |              |               |
| Fannie Mae Mortgage-Backed Securities:                          |              |               |
| Series 203, Class 1, 2/01/23                                    | \$ 23        | \$ 20,317     |
| Series 228, Class 1, 6/01/23                                    | 15           | 13,594        |
| Series 1991-7, Class J, 2/25/21                                 | 20           | 18,175        |
| Series 1993-51, Class E, 2/25/23                                | 76           | 67,123        |
| Series 1993-70, Class A, 5/25/23                                | 11           | 10,093        |
| Series 1999-W4, Class PO, 2/25/29                               | 206          | 175,319       |
| Series 2002-13, Class PR, 3/25/32                               | 442          | 387,851       |
| Series G93-2, Class KB, 1/25/23                                 | 183          | 166,019       |
| Freddie Mac Mortgage-Backed Securities:                         |              |               |
| Series 1418, Class M, 11/15/22                                  | 82           | 73,536        |
| Series 1571, Class G, 8/15/23                                   | 471          | 395,971       |
| Series 1691, Class B, 3/15/24                                   | 1,095        | 969,932       |
| Series 1739, Class B, 2/15/24                                   | 54           | 52,310        |
| Series T-8, Class A10, 11/15/28                                 | 148          | 131,536       |
|   |              | 2,481,776     |
| <b>Total U.S. Government Sponsored Agency Securities 187.5%</b> |              | 930,267,958   |
| <b>U.S. Treasury Obligations</b>                                |              |               |
| U.S. Treasury Bonds (h):  |              |               |
| 6.25%, 8/15/23  | 3,320        | 4,143,257     |
| 4.38%, 5/15/40  | 36,985       | 36,256,765    |
| 4.25%, 11/15/40 (i)   | 17,975       | 17,241,962    |
| 4.75%, 2/15/41  | 4,340        | 4,525,804     |
| U.S. Treasury Notes:  |              |               |
| 2.00%, 1/31/16 (h)  | 7,840        | 7,802,635     |
| 2.63%, 1/31/18  | 3,500        | 3,460,898     |
| 2.63%, 8/15/20  | 1,455        | 1,367,700     |
| 2.63%, 11/15/20 (h)   | 19,598       | 18,335,911    |
| 3.63%, 2/15/21 (h)  | 8,665        | 8,817,989     |
| 4.50%, 8/15/39 (g)  | 330          | 330,928       |
| <b>Total U.S. Treasury Obligations 20.6%</b>                    |              | 102,283,849   |
| <b>Total Long-Term Investments</b>                              |              |               |
| (Cost \$1,080,941,190) 219.1%                                   |              | 1,087,328,738 |

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| Short-Term Securities  | Shares     |            |
|--|------------|------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (j)(k) | 36,489,702 | 36,489,702 |
| <b>Total Short-Term Securities</b><br>(Cost \$36,489,702) 7.4%         |            | 36,489,702 |

| Options Purchased   | Contracts |         |
|---|-----------|---------|
| <b>Exchange-Traded Call Options 0.0%</b><br>Ten-Year U.S. Treasury Note, Strike Price USD 120.50, Expires 5/20/11 | 134       | 127,719 |
| <b>Exchange-Traded Put Options 0.0%</b><br>Ten-Year U.S. Treasury Note, Strike Price USD 117.50, Expires 3/25/11  | 97        | 36,375  |
| Eurodollar 1-Year Mid-Curve Options, Strike Price USD 98.25, Expires 9/16/11                                      | 303       | 200,737 |
|   |           | 237,112 |

| Options Purchased   | Notional Amount (000) | Value      |
|---|-----------------------|------------|
| <b>Over-the-Counter Call Options 0.2%</b><br>Receive a fixed rate of 5.47% and pay a floating rate based on 3-month LIBOR, Expires 5/08/12, Broker Bank of America NA | \$ 6,200              | \$ 748,803 |
| <b>Over-the-Counter Put Options 0.0%</b><br>Pay a fixed rate of 5.47% and receive a floating rate based on 3-month LIBOR, Expires 5/08/12, Broker Bank of America NA  | 6,200                 | 61,570     |
| <b>Total Options Purchased</b><br>(Cost \$895,866) 0.2%   |                       | 1,175,204  |

|  |               |
|--|---------------|
| <b>Total Investments Before TBA Sale Commitments and Options Written</b><br>(Cost \$1,118,326,758*) 226.7% | 1,124,993,644 |
|--|---------------|

| TBA Sale Commitments (f)               | Par (000)           |
|--|---------------------|
| Fannie Mae Mortgage-Backed Securities: |                     |
| 4.00%, 3/15/41                         | 40,700 (40,127,677) |
| 4.50%, 8/01/25 3/15/41                 | 49,300 (50,759,383) |

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|   |        |                      |
|---|--------|----------------------|
| 5.00%, 1/01/23 4/15/41  | 51,900 | (54,306,192)         |
| 5.50%, 3/15/26 4/15/41  | 95,100 | (101,607,183)        |
| 6.00%, 10/01/37 3/15/41   | 21,000 | (22,817,802)         |
| Freddie Mac Mortgage-Backed Securities, 5.00%,<br>2/01/22 4/01/22 | 1,300  | (1,379,219)          |
| <b>Total TBA Sale Commitments</b>                                 |        |                      |
| <b>(Proceeds \$269,507,715) (54.6)%</b>                           |        | <b>(270,997,456)</b> |

**Options Written**

**Contracts**

**Exchange-Traded Call Options 0.0%**

Ten-Year U.S. Treasury Note, Citibank NA:

|  |     |          |
|--|-----|----------|
| Strike Price USD 121.50, Expires 5/20/11 | 134 | (85,844) |
| Strike Price USD 122.50, Expires 5/20/11 | 134 | (54,437) |

(140,281)

**Exchange-Traded Put Options 0.0%**

Eurodollar 1-Year Mid-Curve Options, Strike Price  
USD 97.75, Expires 9/16/11

303 (106,050)

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Income Trust, Inc. (BKT)**  
(Percentages shown are based on Net Assets)

| Options Written   | Notional<br>Amount<br>(000) | Value                 |
|---|-----------------------------|-----------------------|
| <b>Over-the-Counter Call Swaptions (0.2)%</b>   |                             |                       |
| Pay a fixed rate of 3.43% and receive a floating rate based on 3-month LIBOR, Expires 3/24/11,<br>Broker JPMorgan Chase Bank NA | \$ 7,000                    | \$ (30,884)           |
| Pay a fixed rate of 5.33% and receive a floating rate based on 3-month LIBOR, Expires 7/17/13,<br>Broker JPMorgan Chase Bank NA | 11,100                      | (748,364)             |
|   |                             | <u>(779,248)</u>      |
| <b>Over-the-Counter Put Swaptions (0.1)%</b>  |                             |                       |
| Receive a fixed rate of 3.43% and pay a floating rate based on 3-month LIBOR, Expires 3/24/11,<br>Broker JPMorgan Chase Bank NA | 7,000                       | (115,705)             |
| Receive a fixed rate of 5.33% and pay a floating rate based on 3-month LIBOR, Expires 7/17/13,<br>Broker JPMorgan Chase Bank NA | 11,100                      | (164,551)             |
|   |                             | <u>(280,256)</u>      |
| <b>Total Options Written</b><br>(Premiums Received \$1,634,665) (0.3)%  |                             | <u>(1,305,835)</u>    |
| <b>Total Investments, Net of TBA Sale</b>   |                             |                       |
| <b>Commitments and Options Written 171.8%</b>   |                             | 852,690,353           |
| <b>Liabilities in Excess of Other Assets (71.8)%</b>  |                             | <u>(356,568,539)</u>  |
| <b>Net Assets 100.0%</b>  |                             | <u>\$ 496,121,814</u> |

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

|                               |                         |
|-------------------------------|-------------------------|
| Aggregate cost                | <u>\$ 1,118,609,670</u> |
| Gross unrealized appreciation | \$ 26,319,011           |
| Gross unrealized depreciation | <u>(19,935,037)</u>     |
| Net unrealized appreciation   | <u>\$ 6,383,974</u>     |

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

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

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- (c) Amount is less than \$1,000.
- (d) All or a portion of security has been pledged as collateral in connection with TALF program.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Represents or includes a TBA transaction. Unsettled TBA transactions as of report date were as follows:

| Counterparty                          | Value           | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------------------|-----------------|--|
| Bank Nationale De Paris               | \$ 1,193,434    | \$ 2,497                                     |
| Citigroup Global Markets, Inc.        | \$ 30,577,627   | \$ (31,326)                                  |
| Credit Suisse International           | \$ 56,711,706   | \$ 824,722                                   |
| Deutsche Bank Securities, Inc.        | \$ (29,199,002) | \$ 61,568                                    |
| Goldman Sachs & Co.                   | \$ 104,933,320  | \$ 1,195,414                                 |
| Greenwich Financial Services          | \$ 8,153,752    | \$ 54,533                                    |
| JPMorgan Chase Securities, Inc.       | \$ 1,972,970    | \$ 24,024                                    |
| Morgan Stanley & Co., Inc.            | \$ 15,644,535   | \$ (44,223)                                  |
| Nomura Securities International, Inc. | \$ 56,119,420   | \$ 248,553                                   |
| UBS Securities                        | \$ (19,916,760) | \$ (186,671)                                 |

- (g) All or a portion of security has been pledged as collateral in connection with swaps.
- (h) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (i) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (j) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held at<br>February 28,<br>2011 | Income   |
|--|--------------------------------------|-----------------|--|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 857,657                              | 35,632,045      | 36,489,702                             | \$ 6,976 |

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

Interest rate floors outstanding as of February 28, 2011 were as follows:

|   | Notional<br>Amount<br>(000) | Value | Unrealized<br>Appreciation<br>(Depreciation) |
|---|-----------------------------|-------|--|
| Pay to broker the difference between 3-month LIBOR and a floor of 4.80% |                             |       |  |



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|   |    |        |    |             |    |           |
|---|----|--------|----|-------------|----|-----------|
| Broker Goldman Sachs Bank USA Expires 3/19/11                           | \$ | 50,000 | \$ | (537,050)   | \$ | 16,283    |
| Pay to broker the difference between 3-month LIBOR and a floor of 5.50% |    |        |    |             |    |           |
| Broker Citibank NA Expires 9/17/11                                      | \$ | 24,000 |    | (917,760)   |    | (457,760) |
| <b>Total</b>  |    |        | \$ | (1,454,810) | \$ | (441,477) |

Reverse repurchase agreements outstanding as of February 28, 2011 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Unrealized Appreciation |
|------------------------------------|---------------|------------|---------------|--------------------|-------------------------|
| Barclays Capital, Inc.             | 0.30%         | 10/15/10   | Open          | \$ 4,499,581       | \$ 4,494,450            |
| Credit Suisse Securities (USA) LLC | 0.24%         | 11/03/10   | Open          | 8,836,946          | 8,830,000               |
| Merrill Lynch & Co., Inc.          | 0.23%         | 12/08/10   | Open          | 16,887,794         | 16,878,844              |
| Merrill Lynch & Co., Inc.          | 0.18%         | 1/21/11    | Open          | 11,627,267         | 11,625,000              |
| Credit Suisse Securities (USA) LLC | 0.03%         | 2/28/11    | 3/01/11       | 8,816,645          | 8,816,637               |
| Credit Suisse Securities (USA) LLC | 0.18%         | 2/28/11    | 3/01/11       | 18,470,736         | 18,470,644              |
| Credit Suisse Securities (USA) LLC | 0.19%         | 2/28/11    | 3/01/11       | 5,169,503          | 5,169,475               |
| Deutsche Bank, NA                  | 0.14%         | 2/28/11    | 3/01/11       | 7,830,230          | 7,830,200               |
| <b>Total</b>                       |               |            |               | \$ 82,138,702      | \$ 82,115,250           |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Income Trust, Inc. (BKT)

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

| Contracts    | Issue                         | Exchange           | Expiration     | Notional Value | Unrealized Appreciation (Depreciation) |
|--------------|-------------------------------|--------------------|----------------|----------------|--|
| 78           | 5-Year U.S. Treasury Note     | Chicago Mercantile | March 2011     | \$ 9,188,789   | \$ 5,461                               |
| 132          | Euro Dollars                  | Chicago Mercantile | March 2011     | \$ 32,863,870  | 32,180                                 |
| 49           | Ultra Long U.S. Treasury Bond | Chicago Mercantile | March 2011     | \$ 5,961,742   | 166,320                                |
| 116          | Euro Dollars                  | Chicago Mercantile | June 2011      | \$ 28,849,169  | 44,981                                 |
| 113          | Euro Dollars                  | Chicago Mercantile | September 2011 | \$ 28,061,561  | 61,314                                 |
| 99           | Euro Dollars                  | Chicago Mercantile | March 2012     | \$ 24,485,285  | 49,390                                 |
| 121          | Euro Dollars                  | Chicago Mercantile | June 2012      | \$ 29,881,183  | (233)                                  |
| 135          | Euro Dollars                  | Chicago Mercantile | September 2012 | \$ 33,292,096  | (77,034)                               |
| 64           | Euro Dollars                  | Chicago Mercantile | December 2012  | \$ 15,688,226  | 4,574                                  |
| 36           | Euro Dollars                  | Chicago Mercantile | March 2013     | \$ 8,808,686   | (7,137)                                |
| 70           | Euro Dollars                  | Chicago Mercantile | June 2013      | \$ 17,136,768  | (69,893)                               |
| 64           | Euro Dollars                  | Chicago Mercantile | September 2013 | \$ 15,623,589  | (59,588)                               |
| 31           | Euro Dollars                  | Chicago Mercantile | December 2013  | \$ 7,519,548   | (110)                                  |
| <b>Total</b> |                               |                    |                |                | <b>\$ 150,225</b>                      |

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

| Contracts    | Issue                      | Exchange           | Expiration    | Notional Value | Unrealized Depreciation |
|--------------|----------------------------|--------------------|---------------|----------------|-------------------------|
| 354          | 2-Year U.S. Treasury Note  | Chicago Mercantile | March 2011    | \$ 77,445,257  | \$ (75,212)             |
| 252          | 5-Year U.S. Treasury Note  | Chicago Mercantile | June 2011     | \$ 29,390,006  | (78,244)                |
| 105          | 10-Year U.S. Treasury Note | Chicago Mercantile | March 2011    | \$ 12,604,257  | (31,836)                |
| 1,687        | 10-Year U.S. Treasury Note | Chicago Mercantile | June 2011     | \$ 199,063,721 | (1,768,357)             |
| 114          | 30-Year U.S. Treasury Note | Chicago Mercantile | June 2011     | \$ 13,704,008  | (15,179)                |
| 195          | Euro Dollars               | Chicago Mercantile | December 2011 | \$ 48,260,391  | (192,234)               |
| <b>Total</b> |                            |                    |               |                | <b>\$ (2,161,062)</b>   |

Interest rate swaps outstanding as of February 28, 2011 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration Date | Notional Amount | Unrealized Appreciation |
|------------|---------------|--------------|-----------------|-----------------|-------------------------|
|------------|---------------|--------------|-----------------|-----------------|-------------------------|

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|              |               |                                       |          | (000)     | (Depreciation)      |
|--------------|---------------|---------------------------------------|----------|-----------|---------------------|
| 1.45% (b)    | 3-month LIBOR | JPMorgan Chase Bank NA                | 7/29/11  | \$ 20,000 | \$ (93,669)         |
| 0.83% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 7/27/12  | \$ 34,800 | (127,165)           |
| 4.88% (a)    | 3-month LIBOR | UBS AG                                | 3/21/15  | \$ 25,000 | 2,889,495           |
| 4.87% (a)    | 3-month LIBOR | Goldman Sachs Bank USA                | 1/25/16  | \$ 5,500  | 662,082             |
| 2.81% (a)    | 3-month LIBOR | Citibank NA                           | 2/06/16  | \$ 20,000 | 462,757             |
| 5.72% (a)    | 3-month LIBOR | JPMorgan Chase Bank NA                | 7/14/16  | \$ 5,400  | 893,072             |
| 5.51% (a)    | 3-month LIBOR | Bank of America NA                    | 8/03/17  | \$ 95,147 | 15,285,756          |
| 5.88% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 6/25/18  | \$ 31,930 | (5,529,070)         |
| 4.55% (b)    | 3-month LIBOR | Citibank NA                           | 9/26/18  | \$ 41,600 | (4,107,683)         |
| 4.31% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 10/01/18 | \$ 66,000 | (5,440,574)         |
| 3.09% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 3/09/19  | \$ 25,700 | 213,286             |
| 3.17% (a)    | 3-month LIBOR | Bank of America NA                    | 3/18/19  | \$ 4,700  | (15,572)            |
| 2.88% (a)    | 3-month LIBOR | Deutsche Bank AG                      | 4/01/19  | \$ 39,700 | (988,328)           |
| 3.23% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 5/19/19  | \$ 2,800  | 3,251               |
| 3.90% (b)    | 3-month LIBOR | Barclays Bank Plc                     | 6/05/19  | \$ 20,000 | (969,551)           |
| 3.55% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 8/18/19  | \$ 15,000 | (437,571)           |
| 5.49% (b)    | 3-month LIBOR | JPMorgan Chase Bank NA                | 10/28/19 | \$ 1,400  | (188,235)           |
| 3.67% (a)    | 3-month LIBOR | Deutsche Bank AG                      | 12/21/19 | \$ 2,000  | 50,242              |
| 5.67% (b)    | 3-month LIBOR | Citigroup Global Markets, Inc.        | 1/06/20  | \$ 12,400 | (1,694,036)         |
| 3.88% (a)    | 3-month LIBOR | Morgan Stanley Capital Services, Inc. | 1/07/20  | \$ 7,600  | 315,549             |
| 3.71% (b)    | 3-month LIBOR | Deutsche Bank AG                      | 2/11/20  | \$ 6,200  | (164,854)           |
| 3.73% (a)    | 3-month LIBOR | Morgan Stanley Capital Services, Inc. | 5/05/20  | \$ 28,000 | 719,472             |
| 5.41% (a)    | 3-month LIBOR | JPMorgan Chase Bank NA                | 8/15/22  | \$ 9,565  | 1,576,854           |
| <b>Total</b> |               |                                       |          |           | <b>\$ 3,315,508</b> |

(a) Pays floating interest rate and receives fixed rate.

(b) Pays fixed interest rate and receives floating rate.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Income Trust, Inc. (BKT)

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

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

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

| Valuation Inputs                            | Level 1       | Level 2        | Level 3       | Total          |
|---|---------------|----------------|---------------|----------------|
| <b>Assets:</b>                              |               |                |               |                |
| Investments in Securities:                  |               |                |               |                |
| Long-Term Investments:                      |               |                |               |                |
| Asset-Backed Securities                     |               | \$ 11,572,437  | \$ 972,920    | \$ 12,545,357  |
| Non-Agency Mortgage-Backed Securities       |               | 37,163,607     | 5,067,967     | 42,231,574     |
| U.S. Government Sponsored Agency Securities |               | 924,640,662    | 5,627,296     | 930,267,958    |
| U.S. Treasury Obligations                   |               | 102,283,849    |               | 102,283,849    |
| Short-Term Securities                       | \$ 36,489,702 |                |               | 36,489,702     |
| <b>Liabilities:</b>                         |               |                |               |                |
| Investments in Securities:                  |               |                |               |                |
| Long-Term Investments:                      |               |                |               |                |
| TBA Sale Commitments                        |               | (270,997,456)  |               | (270,997,456)  |
| TALF Loans                                  |               | (10,940,517)   |               | (10,940,517)   |
| <b>Total</b>                                | \$ 36,489,702 | \$ 793,722,582 | \$ 11,668,183 | \$ 841,880,467 |

Derivative Financial Instruments<sup>1</sup>

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
| <b>Assets:</b>   |         |         |         |       |

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|                         |                |               |              |               |
|-------------------------|----------------|---------------|--------------|---------------|
| Interest rate contracts | \$ 729,051     | \$ 23,882,189 |              | \$ 24,611,240 |
| <b>Liabilities:</b>     |                |               |              |               |
| Interest rate contracts | (2,621,388)    | (21,733,572)  | \$ (537,050) | (24,892,010)  |
| <b>Total</b>            | \$ (1,892,337) | \$ 2,148,617  | \$ (537,050) | \$ (280,770)  |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, interest rate floors and options. Swaps and financial futures contracts are shown at the unrealized appreciation/depreciation on the instrument and interest rate floors and options are shown at value.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock Income Trust, Inc. (BKT)

The following tables are a reconciliation of Level 3 other financial instruments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed<br>Securities | Non-Agency<br>Mortgage-Backed<br>Securities | U.S. Government<br>Sponsored<br>Agency Securities | Total                |
|---|----------------------------|---|---|----------------------|
| <b>Assets/Liabilities:</b>                                      |                            |   |   |                      |
| Balance, as of August 31, 2010                                  | \$ 1,261,564               | \$ 8,085,631                                | \$ 5,750,715                                      | \$ 15,097,910        |
| Accrued discounts/premiums                                      | (98,416)                   | (327,220)                                   | 244,798   | (180,838)            |
| Net realized gain (loss)  |                            | (560,914)                                   | (6,335)   | (567,249)            |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | (190,228)                  | 261,392                                     | (206,640)   | (135,476)            |
| Purchases   |                            |   |   |                      |
| Sales   |                            | (387,308)                                   | (155,242)   | (542,550)            |
| Transfers in <sup>3</sup>                                       |                            |   |   |                      |
| Transfers out <sup>3</sup>                                      |                            | (2,003,614)                                 |   | (2,003,614)          |
| <b>Balance, as of February 28, 2011</b>                         | <b>\$ 972,920</b>          | <b>\$ 5,067,967</b>                         | <b>\$ 5,627,296</b>                               | <b>\$ 11,668,183</b> |

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$(661,822).

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

|   | Interest Rate<br>Contracts |
|---|----------------------------|
| <b>Liabilities:</b>   |                            |
| Balance, as of August 31, 2010                              | \$ (3,446,023)             |
| Accrued discounts/premiums                                  |                            |
| Realized gain (loss)  | (1,876,795)                |
| Change in unrealized appreciation/depreciation <sup>4</sup> | 1,825,213                  |
| Purchases   |                            |
| Sales   | 2,042,795                  |
| Transfers in <sup>5</sup>                                   |                            |
| Transfers out <sup>5</sup>                                  | 917,760                    |
| <b>Balance, as of February 28, 2011</b>                     | <b>\$ (537,050)</b>        |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$1,201,839.

<sup>5</sup> The Trust's policy is to recognize transfers in and transfers out as of the end of the period of the event or the change in circumstances that caused the transfer.

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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Schedule of Investments February 28, 2011 (Unaudited)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

| Common Stocks (a)                     | Shares  | Value         |
|---------------------------------------|---------|---------------|
| <b>Construction Materials 0.0%</b>    |         |               |
| Nortek, Inc.                          | 450     | \$ 20,025     |
| <b>Media 0.0%</b>                     |         |               |
| Adelphia Recovery Trust               | 396,568 | 2,380         |
| <b>Software 0.0%</b>                  |         |               |
| Bankruptcy Management Solutions, Inc. | 84      | 292           |
| <b>Total Common Stocks 0.0%</b>       |         | <b>22,697</b> |

| Corporate Bonds  | Par<br>(000) |  | Value          |
|--|--------------|--|----------------|
| <b>Airlines 0.8%</b>   |              |  |                |
| American Airlines, Inc. Series 2001-2, 7.86%,<br>4/01/13       | USD 190      |  | 196,175        |
| Continental Airlines, Inc., Series 2010-1-A, 4.75%,<br>7/12/22 | 435          |  | 431,737        |
| Delta Air Lines, Inc., Series B, 9.75%, 12/17/16               | 180          |  | 194,788        |
|  |              |  | <b>822,700</b> |
| <b>Auto Components 0.7%</b>                                    |              |  |                |
| Delphi International Holdings Unsecured, 12.00%,<br>10/06/14   | 17           |  | 18,692         |
| Icahn Enterprises LP, 8.00%, 1/15/18                           | 670          |  | 693,450        |
|  |              |  | <b>712,142</b> |
| <b>Automobiles 1.1%</b>  |              |  |                |
| DaimlerChrysler NA Holding Corp., 7.30%, 1/15/12               | 1,000        |  | 1,055,717      |
| <b>Beverages 0.1%</b>  |              |  |                |
| Crown European Holdings SA, 7.13%, 8/15/18 (b)                 | EUR 90       |  | 132,268        |
| <b>Biotechnology 0.2%</b>                                      |              |  |                |
| QHP Pharma, 10.25%, 3/15/15 (b)                                | USD 184      |  | 185,299        |
| <b>Building Products 1.1%</b>                                  |              |  |                |
| Building Materials Corp. of America (b):<br>6.88%, 8/15/18     | 195          |  | 199,875        |
| 7.00%, 2/15/20   | 290          |  | 305,588        |
| Momentive Performance Materials, Inc.:<br>11.50%, 12/01/16     | 60           |  | 65,100         |



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|                    |     |           |
|--------------------|-----|-----------|
| 9.00%, 1/15/21 (b) | 470 | 499,962   |
|                    |     | 1,070,525 |

**Capital Markets 2.3%**

|   |     |           |
|---|-----|-----------|
| Credit Suisse AG, 5.40%, 1/14/20                  | 480 | 486,331   |
| E*Trade Financial Corp., Series A, 8/31/19 (c)(d) | 100 | 154,500   |
| The Goldman Sachs Group, Inc.:                    |     |           |
| 6.15%, 4/01/18                                    | 25  | 27,388    |
| 7.50%, 2/15/19                                    | 125 | 147,338   |
| 5.38%, 3/15/20                                    | 225 | 231,169   |
| 6.00%, 6/15/20                                    | 250 | 268,047   |
| KKR Group Finance Co., 6.38%, 9/29/20 (b)         | 170 | 175,155   |
| Merrill Lynch & Co., Inc., 6.05%, 5/16/16         | 325 | 346,381   |
| Morgan Stanley, 5.50%, 1/26/20                    | 425 | 430,561   |
|   |     | 2,266,870 |

**Chemicals 2.5%**

|  |     |         |
|--|-----|---------|
| American Pacific Corp., 9.00%, 2/01/15         | 180 | 176,850 |
| Chemtura Corp., 7.88%, 9/01/18 (b)             | 195 | 208,162 |
| Georgia Gulf Corp., 9.00%, 1/15/17 (b)         | 60  | 66,750  |
| Hexion U.S. Finance Corp.:                     |     |         |
| 8.88%, 2/01/18                                 | 275 | 295,281 |
| 9.00%, 11/15/20 (b)                            | 135 | 143,606 |
| Huntsman International LLC, 8.63%, 3/15/21 (b) | 185 | 205,350 |
| Ineos Finance Plc, 9.00%, 5/15/15 (b)          | 155 | 170,112 |
| KRATON Polymers LLC, 6.75%, 3/01/19 (b)        | 45  | 45,900  |

**Corporate Bonds**

|   |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Chemicals (concluded)</b>                |     |              |    |           |
| Nalco Co., 6.63%, 1/15/19 (b)               | USD | 120          | \$ | 124,050   |
| Nexo Solutions LLC, 8.38%, 3/01/18 (b)(e)   |     | 65           |    | 66,138    |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (b)     |     | 305          |    | 334,737   |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (b) |     | 55           |    | 56,444    |
| Polymer Group, Inc., 7.75%, 2/01/19 (b)     |     | 51           |    | 53,104    |
| PolyOne Corp., 7.38%, 9/15/20               |     | 80           |    | 84,800    |
| Rhodia SA, 6.88%, 9/15/20 (b)               |     | 305          |    | 312,244   |
| TPC Group LLC, 8.25%, 10/01/17 (b)          |     | 125          |    | 132,969   |
|   |     |              |    | 2,476,497 |

**Commercial Banks 4.7%**

|   |       |           |
|---|-------|-----------|
| BNP Paribas, 3.60%, 2/23/16                 | 580   | 583,522   |
| Barclays Bank Plc, 5.14%, 10/14/20          | 450   | 427,236   |
| CIT Group, Inc.:                            |       |           |
| 7.00%, 5/01/16                              | 649   | 654,185   |
| 7.00%, 5/01/17                              | 1,516 | 1,527,285 |
| HSBC Bank USA NA, 4.88%, 8/24/20            | 550   | 538,992   |
| Itau Unibanco, 5.75%, 1/22/21 (b)           | 225   | 220,113   |
| Lloyds TSB Bank Plc, 5.80%, 1/13/20 (b)     | 300   | 298,663   |
| Standard Chartered Plc, 5.50%, 11/18/14 (b) | 450   | 492,261   |
|   |       | 4,742,257 |

**Commercial Services & Supplies 1.7%**

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|  |     |           |
|--|-----|-----------|
| ACCO Brands Corp., 10.63%, 3/15/15                 | 195 | 220,350   |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (b)    | 226 | 232,215   |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (b) | 190 | 204,250   |
| International Lease Finance Corp., 8.25%, 12/15/20 | 72  | 80,100    |
| Mobile Mini, Inc., 7.88%, 12/01/20 (b)             | 85  | 90,525    |
| RSC Equipment Rental, Inc. (b):                    |     |           |
| 10.00%, 7/15/17                                    | 240 | 276,000   |
| 8.25%, 2/01/21                                     | 210 | 222,075   |
| West Corp. (b):                                    |     |           |
| 8.63%, 10/01/18                                    | 280 | 296,800   |
| 7.88%, 1/15/19                                     | 70  | 71,837    |
|  |     | 1,694,152 |

**Construction Materials 0.7%**

|   |     |         |
|---|-----|---------|
| Inversiones CMPC SA, 4.75%, 1/19/18 (b) | 175 | 168,371 |
| Nortek, Inc., 11.00%, 12/01/13          | 452 | 481,379 |
|   |     | 649,750 |

**Consumer Finance 2.4%**

|   |       |           |
|---|-------|-----------|
| Credit Acceptance Corp., 9.13%, 2/01/17 | 260   | 280,150   |
| Ford Motor Credit Co. LLC:              |       |           |
| 5.54%, 6/15/11 (f)                      | 1,600 | 1,615,248 |
| 7.80%, 6/01/12                          | 250   | 266,611   |
| SLM Corp., 6.25%, 1/25/16               | 275   | 281,875   |
|   |       | 2,443,884 |

**Containers & Packaging 2.3%**

|   |     |     |           |
|---|-----|-----|-----------|
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (b) | EUR | 260 | 370,448   |
| Ball Corp., 6.75%, 9/15/20                        | USD | 180 | 188,550   |
| Berry Plastics Corp.:                             |     |     |           |
| 8.25%, 11/15/15                                   |     | 50  | 53,563    |
| 9.75%, 1/15/21 (b)                                |     | 335 | 335,837   |
| Graham Packaging Co. LP, 8.25%, 10/01/18          |     | 95  | 102,363   |
| Graphic Packaging International, Inc.:            |     |     |           |
| 9.50%, 6/15/17                                    |     | 250 | 277,500   |
| 7.88%, 10/01/18                                   |     | 145 | 155,875   |
| Pregis Corp., 12.38%, 10/15/13                    |     | 265 | 266,987   |
| Smurfit Kappa Acquisitions (b):                   |     |     |           |
| 7.25%, 11/15/17                                   | EUR | 190 | 277,922   |
| 7.75%, 11/15/19                                   |     | 180 | 265,778   |
|   |     |     | 2,294,823 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

| Corporate Bonds  |     | Par<br>(000) |    | Value     |
|--|-----|--------------|----|-----------|
| <b>Diversified Financial Services 6.2%</b>             |     |              |    |           |
| Ally Financial, Inc.:                                  |     |              |    |           |
| 2.51%, 12/01/14 (f)                                    | USD | 110          | \$ | 108,092   |
| 8.30%, 2/12/15   |     | 510          |    | 575,662   |
| 6.25%, 12/01/17 (b)                                    |     | 40           |    | 41,750    |
| 8.00%, 3/15/20   |     | 60           |    | 67,575    |
| 7.50%, 9/15/20 (b)                                     |     | 900          |    | 984,375   |
| 8.00%, 11/01/31  |     | 680          |    | 778,600   |
| 8.00%, 11/01/31  |     | 530          |    | 607,058   |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16  |     | 165          |    | 181,913   |
| Bank of America Corp.:                                 |     |              |    |           |
| 4.50%, 4/01/15   |     | 375          |    | 391,697   |
| 6.50%, 8/01/16   |     | 410          |    | 460,033   |
| 5.75%, 12/01/17  |     | 340          |    | 363,494   |
| Citigroup, Inc., 8.13%, 7/15/39                        |     | 55           |    | 69,753    |
| JPMorgan Chase & Co., 5.50%, 10/15/40                  |     | 350          |    | 347,449   |
| Reynolds Group DL Escrow, Inc., 7.75%,<br>10/15/16 (b) |     | 450          |    | 479,250   |
| Reynolds Group Issuer, Inc. (b):                       |     |              |    |           |
| 9.00%, 4/15/19   |     | 375          |    | 390,938   |
| 6.88%, 2/15/21   |     | 140          |    | 140,350   |
| 8.25%, 2/15/21   |     | 170          |    | 170,425   |
|  |     |              |    | 6,158,414 |
| <b>Diversified Telecommunication Services 5.0%</b>     |     |              |    |           |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12  |     |              |    |           |
|  |     | 155          |    | 154,419   |
| Frontier Communications Corp.:                         |     |              |    |           |
| 8.25%, 4/15/17   |     | 30           |    | 33,150    |
| 8.50%, 4/15/20   |     | 70           |    | 77,700    |
| GCI, Inc., 8.63%, 11/15/19                             |     | 400          |    | 440,000   |
| Qwest Communications International, Inc.:              |     |              |    |           |
| 7.50%, 2/15/14   |     | 1,120        |    | 1,136,800 |
| Series B, 7.50%, 2/15/14                               |     | 305          |    | 309,575   |
| Qwest Corp., 8.38%, 5/01/16                            |     | 270          |    | 322,313   |
| Telefonica Emisiones SAU, 5.46%, 2/16/21               |     | 250          |    | 253,789   |
| Verizon New England, Inc., 6.50%, 9/15/11              |     | 2,000        |    | 2,062,842 |
| Windstream Corp.:                                      |     |              |    |           |
| 8.13%, 8/01/13   |     | 45           |    | 49,556    |
| 8.63%, 8/01/16   |     | 70           |    | 74,025    |
| 7.88%, 11/01/17  |     | 45           |    | 48,881    |
|  |     |              |    | 4,963,050 |
| <b>Electric Utilities 1.3%</b>                         |     |              |    |           |
| Elwood Energy LLC, 8.16%, 7/05/26                      |     |              |    |           |
|  |     | 23           |    | 22,798    |
| Progress Energy, Inc., 7.75%, 3/01/31                  |     |              |    |           |
|  |     | 1,000        |    | 1,249,676 |

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|  |  |           |
|--|--|-----------|
|  |  | 1,272,474 |
|--|--|-----------|

**Energy Equipment & Services 1.4%**

|  |     |           |
|--|-----|-----------|
| Bayou Well Services, 0.16%, 12/22/13                         | 225 | 225,000   |
| Calfrac Holdings LP, 7.50%, 12/01/20 (b)                     | 90  | 92,250    |
| Compagnie Générale de Géophysique-Veritas:<br>7.50%, 5/15/15 | 355 | 367,425   |
| 7.75%, 5/15/17   | 55  | 58,163    |
| Exterran Holdings, Inc., 7.25%, 12/01/18 (b)                 | 160 | 164,000   |
| Frac Tech Services LLC, 7.13%, 11/15/18 (b)                  | 230 | 238,050   |
| Precision Drilling Corp., 6.63%, 11/15/20 (b)                | 45  | 46,463    |
| Thermon Industries, Inc., 9.50%, 5/01/17                     | 195 | 211,087   |
|  |     | 1,402,438 |

**Food & Staples Retailing 0.4%**

|                                   |     |         |
|-----------------------------------|-----|---------|
| BI-LO LLC, 9.25%, 2/15/19 (b)     | 120 | 124,800 |
| Rite Aid Corp.:<br>9.75%, 6/12/16 | 45  | 50,681  |
| 7.50%, 3/01/17                    | 195 | 196,219 |
|                                   |     | 371,700 |

| Corporate Bonds                                  |     | Par<br>(000) |    | Value     |
|--|-----|--------------|----|-----------|
| <b>Food Products 1.4%</b>                        |     |              |    |           |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (b)        | USD | 380          | \$ | 383,800   |
| Darling International, Inc., 8.50%, 12/15/18 (b) |     | 90           |    | 97,087    |
| Kraft Foods, Inc.:<br>6.13%, 8/23/18             |     | 250          |    | 281,001   |
| 5.38%, 2/10/20                                   |     | 600          |    | 638,260   |
|  |     |              |    | 1,400,148 |

**Health Care Equipment & Supplies 1.7%**

|   |     |           |
|---|-----|-----------|
| CareFusion Corp., 6.38%, 8/01/19                  | 195 | 219,487   |
| DJO Finance LLC, 10.88%, 11/15/14                 | 880 | 964,700   |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (b) | 410 | 469,962   |
|   |     | 1,654,149 |

**Health Care Providers & Services 5.4%**

|   |     |         |         |
|---|-----|---------|---------|
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (b) | 100 | 104,250 |         |
| ConvaTec Healthcare E SA (b):<br>7.38%, 12/15/17  | EUR | 200     | 287,030 |
| 10.50%, 12/15/18                                  | USD | 200     | 213,500 |
| Gentiva Health Services, Inc., 11.50%, 9/01/18    | 180 | 202,725 |         |
| HCA, Inc.:<br>9.13%, 11/15/14                     | 335 | 351,331 |         |
| 8.50%, 4/15/19                                    | 310 | 347,200 |         |
| 7.25%, 9/15/20                                    | 610 | 658,037 |         |
| inVentiv Health, Inc., 10.00%, 8/15/18 (b)        | 150 | 154,125 |         |
| Omnicare, Inc.:<br>6.13%, 6/01/13                 | 32  | 32,120  |         |

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|   |     |       |           |
|---|-----|-------|-----------|
| 6.88%, 12/15/15   |     | 160   | 165,200   |
| 7.75%, 6/01/20  |     | 140   | 149,450   |
| Priority Group Ltd., 7.00%, 2/15/18                               | GBP | 100   | 166,629   |
| <b>Tenet Healthcare Corp.:</b>                                    |     |       |           |
| 9.00%, 5/01/15  | USD | 555   | 610,500   |
| 10.00%, 5/01/18   |     | 625   | 734,375   |
| 8.88%, 7/01/19  |     | 195   | 221,813   |
| WellPoint, Inc., 5.95%, 12/15/34                                  |     | 1,000 | 1,029,592 |
|   |     |       | 5,427,877 |
| <b>Health Care Technology 0.8%</b>                                |     |       |           |
| IMS Health, Inc., 12.50%, 3/01/18 (b)                             |     | 660   | 773,850   |
| MedAssets, Inc., 8.00%, 11/15/18 (b)                              |     | 60    | 61,650    |
|   |     |       | 835,500   |
| <b>Hotels, Restaurants &amp; Leisure 3.0%</b>                     |     |       |           |
| Boyd Gaming Corp., 9.13%, 12/01/18 (b)                            |     | 225   | 236,250   |
| Caesars Entertainment Operating Co., Inc.,<br>10.00%, 12/15/18    |     | 1,345 | 1,264,300 |
| CityCenter Holdings LLC, 7.63%, 1/15/16 (b)                       |     | 120   | 125,100   |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b)                        |     | 310   | 332,475   |
| Harrah's Operating Co., Inc., 11.25%, 6/01/17                     |     | 135   | 153,225   |
| MGM Resorts International, 10.38%, 5/15/14                        |     | 750   | 840,000   |
| Palace Entertainment Holding LLC, 8.88%,<br>4/15/17 (b)           |     | 45    | 45,900    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(g) |     | 50    | 5         |
|   |     |       | 2,997,255 |
| <b>Household Durables 3.7%</b>                                    |     |       |           |
| Ashton Woods USA LLC, 22.62%, 6/30/15 (b)(h)                      |     | 314   | 204,230   |
| Beazer Homes USA, Inc.:   |     |       |           |
| 8.13%, 6/15/16  |     | 50    | 50,813    |
| 12.00%, 10/15/17  |     | 280   | 325,500   |
| 9.13%, 6/15/18  |     | 840   | 867,300   |
| K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16                  |     | 650   | 704,437   |
| Ryland Group, Inc., 6.63%, 5/01/20                                |     | 250   | 245,000   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

| Corporate Bonds   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Household Durables (concluded)</b>                           |     |              |            |
| Standard Pacific Corp.:   |     |              |            |
| 10.75%, 9/15/16   | USD | 565          | \$ 663,875 |
| 8.38%, 5/15/18 (b)  |     | 175          | 185,500    |
| 8.38%, 5/15/18  |     | 175          | 185,500    |
| 8.38%, 1/15/21 (b)  |     | 280          | 295,400    |
|   |     |              | 3,727,555  |
| <b>IT Services 2.4%</b>   |     |              |            |
| First Data Corp. (b):   |     |              |            |
| 8.88%, 8/15/20  |     | 470          | 514,650    |
| 8.25%, 1/15/21  |     | 516          | 513,420    |
| 12.63%, 1/15/21   |     | 239          | 250,352    |
| iPayment, Inc., 9.75%, 5/15/14                                  |     | 175          | 173,469    |
| iPayment Investors LP, 12.75%, 7/15/14 (b)(i)                   |     | 231          | 215,089    |
| SunGard Data Systems, Inc.:                                     |     |              |            |
| 10.63%, 5/15/15   |     | 295          | 326,712    |
| 7.38%, 11/15/18 (b)   |     | 180          | 185,850    |
| 7.63%, 11/15/20 (b)   |     | 220          | 227,150    |
|   |     |              | 2,406,692  |
| <b>Independent Power Producers &amp; Energy Traders 3.2%</b>    |     |              |            |
| AES Ironwood LLC, 8.86%, 11/30/25                               |     |              |            |
|   |     | 90           | 89,974     |
| Calpine Construction Finance Co. LP, 8.00%,<br>6/01/16 (b)      |     |              |            |
|   |     | 515          | 558,775    |
| Calpine Corp. (b):  |     |              |            |
| 7.50%, 2/15/21  |     | 170          | 173,825    |
| 7.88%, 1/15/23  |     | 235          | 241,462    |
| Energy Future Holdings Corp., 10.00%, 1/15/20 (b)               |     | 1,005        | 1,046,559  |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20 |     |              |            |
|   |     | 28           | 29,228     |
| NRG Energy, Inc., 7.63%, 1/15/18 (b)                            |     | 975          | 1,015,219  |
|   |     |              | 3,155,042  |
| <b>Industrial Conglomerates 1.5%</b>                            |     |              |            |
| Sequa Corp. (b):  |     |              |            |
| 11.75%, 12/01/15  |     | 460          | 499,100    |
| 13.50%, 12/01/15 (i)  |     | 854          | 946,092    |
|   |     |              | 1,445,192  |
| <b>Insurance 3.1%</b>   |     |              |            |
|   |     | 1,130        | 1,225,265  |

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|   |     |           |
|---|-----|-----------|
| American International Group, Inc., 6.40%,<br>12/15/20    |     |           |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (b)             | 138 | 146,970   |
| Lincoln National Corp., 8.75%, 7/01/19                    | 575 | 724,372   |
| MetLife, Inc., 4.75%, 2/08/21                             | 300 | 307,636   |
| Metropolitan Life Global Funding I, 5.13%,<br>6/10/14 (b) | 250 | 271,448   |
| Prudential Financial, Inc., 5.38%, 6/21/20                | 400 | 422,324   |
|   |     | 3,098,015 |

**Machinery 1.1%**

|  |     |           |
|--|-----|-----------|
| AGY Holding Corp., 11.00%, 11/15/14                  | 220 | 195,800   |
| Navistar International Corp.:<br>3.00%, 10/15/14 (c) | 430 | 600,925   |
| 8.25%, 11/01/21                                      | 260 | 287,950   |
|  |     | 1,084,675 |

**Marine 0.6%**

|   |     |         |
|---|-----|---------|
| Horizon Lines, Inc., 4.25%, 8/15/12 (c) | 595 | 551,863 |
|---|-----|---------|

**Media 15.7%**

|  |     |         |
|--|-----|---------|
| AMC Entertainment Holdings, Inc., 9.75%,<br>12/01/20 (b) | 180 | 193,050 |
| Affinion Group, Inc., 7.88%, 12/15/18 (b)                | 235 | 225,012 |
| CCH II LLC, 13.50%, 11/30/16                             | 289 | 350,571 |
| CMP Susquehanna Corp., 3.44%, 5/15/14                    | 40  | 28,197  |

**Corporate Bonds**

**Par  
(000)                      Value**

**Media (concluded)**

|   |     |       |    |           |
|---|-----|-------|----|-----------|
| Cengage Learning Acquisitions, Inc., 10.50%,<br>1/15/15 (b) | USD | 520   | \$ | 539,500   |
| Checkout Holding Corp., 10.97%, 11/15/15 (b)(d)             |     | 320   |    | 206,400   |
| Citadel Broadcasting Corp., 7.75%, 12/15/18 (b)             |     | 95    |    | 101,888   |
| Clear Channel Communications Inc., 9.00%,<br>3/01/21 (b)    |     | 90    |    | 91,463    |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17  |     | 384   |    | 426,240   |
| Series B, 9.25%, 12/15/17                                   |     | 1,774 |    | 1,973,575 |
| DIRECTV Holdings LLC, 6.00%, 8/15/40                        |     | 175   |    | 171,209   |
| DISH DBS Corp., 7.00%, 10/01/13                             |     | 201   |    | 216,075   |
| Gray Television, Inc., 10.50%, 6/29/15                      |     | 165   |    | 175,313   |
| Interactive Data Corp., 10.25%, 8/01/18 (b)                 |     | 380   |    | 425,600   |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (b)         |     | 165   |    | 169,950   |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (b)      |     | 220   |    | 236,500   |
| NBC Universal, Inc., 4.38%, 4/01/21 (b)                     |     | 1,025 |    | 986,514   |
| The New York Times Co., 6.63%, 12/15/16 (b)                 |     | 500   |    | 511,250   |
| News America, Inc., 6.20%, 12/15/34                         |     | 1,500 |    | 1,546,831 |
| Nielsen Finance LLC, 7.75%, 10/15/18 (b)                    |     | 765   |    | 827,156   |
| ProQuest LLC, 9.00%, 10/15/18 (b)                           |     | 130   |    | 134,550   |
| Rainbow National Services LLC (b):<br>8.75%, 9/01/12        |     | 210   |    | 210,787   |
| 10.38%, 9/01/14   |     | 1,455 |    | 1,515,019 |
| Regal Entertainment Group, 9.13%, 8/15/18                   |     | 85    |    | 90,950    |

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|  |     |       |            |
|--|-----|-------|------------|
| TCI Communications, Inc., 7.88%, 2/15/26               |     | 1,000 | 1,215,698  |
| Time Warner Cable, Inc., 5.88%, 11/15/40               |     | 410   | 389,310    |
| UPC Germany GmbH (b):                                  |     |       |            |
| 8.13%, 12/01/17  |     | 200   | 214,500    |
| 8.13%, 12/01/17  | EUR | 210   | 311,886    |
| 9.63%, 12/01/19  | USD | 190   | 297,914    |
| UPC Holding BV, 9.88%, 4/15/18 (b)                     |     | 200   | 222,000    |
| UPCB Finance II Ltd., 6.38%, 7/01/20                   | EUR | 292   | 397,897    |
| Unitymedia GmbH, 9.63%, 12/01/19                       |     | 50    | 78,398     |
| Univision Communications, Inc., 7.88%,<br>11/01/20 (b) | USD | 170   | 182,325    |
| Virgin Media Secured Finance Plc:                      |     |       |            |
| 6.50%, 1/15/18   |     | 200   | 219,000    |
| 7.00%, 1/15/18   | GBP | 100   | 175,164    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (b)                  | EUR | 165   | 244,199    |
| Ziggo Finance BV, 6.13%, 11/15/17 (b)                  |     | 295   | 416,245    |
|  |     |       | 15,718,136 |

**Metals & Mining 3.3%**

|   |     |       |           |
|---|-----|-------|-----------|
| Drummond Co., Inc.:   |     |       |           |
| 9.00%, 10/15/14 (b)   | USD | 205   | 218,837   |
| 7.38%, 2/15/16  |     | 95    | 98,325    |
| FMG Resources August 2006 Property Ltd.,<br>7.00%, 11/01/15 (b) |     | 540   | 560,250   |
| Goldcorp, Inc., 2.00%, 8/01/14 (c)                              |     | 220   | 276,925   |
| New World Resources NV:   |     |       |           |
| 7.88%, 5/01/18  | EUR | 65    | 96,424    |
| 7.88%, 5/01/18 (b)  |     | 76    | 112,742   |
| Newmont Mining Corp.:   |     |       |           |
| 5.13%, 10/01/19   | USD | 225   | 242,204   |
| Series A, 1.25%, 7/15/14 (c)                                    |     | 160   | 213,400   |
| Novelis, Inc., 8.75%, 12/15/20 (b)                              |     | 1,275 | 1,405,687 |
| Steel Dynamics, Inc., 7.38%, 11/01/12                           |     | 65    | 69,063    |
|   |     |       | 3,293,857 |

**Multi-Utilities 0.4%**

|  |  |     |         |
|--|--|-----|---------|
| DTE Energy Co., 7.05%, 6/01/11           |  | 250 | 253,716 |
| Dominion Resources, Inc., 5.70%, 9/17/12 |  | 100 | 106,939 |
|  |  |     | 360,655 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

| Corporate Bonds                                   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Multiline Retail 1.3%</b>                      |     |              |              |
| Dollar General Corp., 11.88%, 7/15/17 (i)         | USD | 1,135        | \$ 1,312,344 |
| <b>Oil, Gas &amp; Consumable Fuels 9.0%</b>       |     |              |              |
| Alpha Natural Resources Inc., 2.38%, 4/15/15 (c)  |     | 85           | 111,031      |
| Anadarko Petroleum Corp., 5.95%, 9/15/16          |     | 365          | 400,278      |
| Arch Coal, Inc., 7.25%, 10/01/20                  |     | 315          | 334,687      |
| BP Capital Markets Plc, 3.13%, 10/01/15           |     | 650          | 659,252      |
| Berry Petroleum Co., 8.25%, 11/01/16              |     | 100          | 105,625      |
| Bill Barrett Corp., 9.88%, 7/15/16                |     | 20           | 22,400       |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18 (b)      |     | 85           | 90,312       |
| Chaparral Energy, Inc., 8.25%, 9/01/21 (b)        |     | 90           | 91,575       |
| Chesapeake Energy Corp.:                          |     |              |              |
| 6.63%, 8/15/20                                    |     | 580          | 609,000      |
| 6.13%, 2/15/21                                    |     | 340          | 346,800      |
| 2.25%, 12/15/38 (c)                               |     | 275          | 251,625      |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (b)     |     | 99           | 107,910      |
| Concho Resources, Inc., 7.00%, 1/15/21            |     | 150          | 157,125      |
| Consol Energy, Inc., 8.25%, 4/01/20               |     | 725          | 799,312      |
| Continental Resources, Inc., 7.13%, 4/01/21 (b)   |     | 135          | 143,775      |
| Crosstex Energy LP, 8.88%, 2/15/18                |     | 65           | 71,663       |
| Denbury Resources, Inc.:                          |     |              |              |
| 8.25%, 2/15/20                                    |     | 259          | 288,137      |
| 6.38%, 8/15/21                                    |     | 125          | 126,250      |
| Energy Transfer Equity LP, 7.50%, 10/15/20        |     | 50           | 54,188       |
| Energy XXI Gulf Coast, Inc. (b):                  |     |              |              |
| 9.25%, 12/15/17                                   |     | 155          | 166,625      |
| 7.75%, 6/15/19                                    |     | 190          | 191,900      |
| Enterprise Products Operating LLC, 3.70%, 6/01/15 |     | 500          | 516,052      |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (b)           |     | 200          | 211,000      |
| Linn Energy LLC (b):                              |     |              |              |
| 8.63%, 4/15/20                                    |     | 115          | 128,225      |
| 7.75%, 2/01/21                                    |     | 220          | 233,750      |
| MarkWest Energy Partners LP, 6.75%, 11/01/20      |     | 95           | 97,375       |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 (b)      |     | 695          | 757,550      |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (b)         |     | 80           | 81,200       |
| Peabody Energy Corp., 6.50%, 9/15/20              |     | 155          | 165,850      |
| Petrobras International Finance Co.:              |     |              |              |
| 3.88%, 1/27/16                                    |     | 1,100        | 1,110,688    |
| 5.88%, 3/01/18                                    |     | 200          | 212,841      |
| 7.88%, 3/15/19                                    |     | 100          | 117,856      |
| 6.88%, 1/20/40                                    |     | 25           | 25,883       |
| Range Resources Corp., 8.00%, 5/15/19             |     | 50           | 55,063       |
| SM Energy Co., 6.63%, 2/15/19 (b)                 |     | 100          | 101,125      |
| United Refining Co., 10.50%, 2/28/18 (b)(e)       |     | 90           | 89,100       |
|   |     |              | 9,033,028    |
| <b>Paper &amp; Forest Products 2.8%</b>           |     |              |              |
| Boise Paper Holdings LLC:                         |     |              |              |

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|   |       |           |
|---|-------|-----------|
| 9.00%, 11/01/17                         | 125   | 139,375   |
| 8.00%, 4/01/20                          | 65    | 71,663    |
| Clearwater Paper Corp.:                 |       |           |
| 10.63%, 6/15/16                         | 160   | 182,800   |
| 7.13%, 11/01/18 (b)                     | 215   | 223,063   |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (b) | 355   | 400,262   |
| International Paper Co.:                |       |           |
| 7.95%, 6/15/18                          | 220   | 267,804   |
| 7.30%, 11/15/39                         | 5     | 5,861     |
| NewPage Corp., 11.38%, 12/31/14         | 1,075 | 1,072,312 |
| Verso Paper Holdings LLC:               |       |           |
| 11.50%, 7/01/14                         | 330   | 363,825   |
| 8.75%, 2/01/19 (b)                      | 85    | 88,825    |
|   |       | 2,815,790 |

| Corporate Bonds  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Pharmaceuticals 1.0%</b>                              |              |           |
| Grifols, Inc., 8.25%, 2/01/18 (b)                        | USD 45       | \$ 46,238 |
| Novasep Holding SAS, 9.63%, 12/15/16 (b)                 | EUR 171      | 191,137   |
| Valeant Pharmaceuticals International (b):               |              |           |
| 6.75%, 10/01/17  | USD 100      | 103,500   |
| 7.00%, 10/01/20  | 125          | 129,219   |
| Wyeth, 6.50%, 2/01/34                                    | 500          | 573,936   |
|  |              | 1,044,030 |
| <b>Professional Services 0.3%</b>                        |              |           |
| FTI Consulting, Inc., 6.75%, 10/01/20 (b)                | 265          | 265,000   |
| <b>Real Estate Investment Trusts (REITs) 1.0%</b>        |              |           |
| HCP, Inc., 5.38%, 2/01/21                                | 225          | 229,978   |
| iStar Financial, Inc., 5.65%, 9/15/11                    | 500          | 500,000   |
| Omega Healthcare Investors, Inc., 6.75%,<br>10/15/22 (b) | 140          | 141,400   |
| The Rouse Co. LP, 6.75%, 11/09/15                        | 145          | 151,888   |
|  |              | 1,023,266 |
| <b>Real Estate Management &amp; Development 1.2%</b>     |              |           |
| CB Richard Ellis Services, Inc., 6.63%, 10/15/20         | 90           | 92,813    |
| Realty Corp. (b):  |              |           |
| 11.50%, 4/15/17  | 215          | 228,975   |
| 7.88%, 2/15/19   | 900          | 903,375   |
|  |              | 1,225,163 |
| <b>Road &amp; Rail 1.8%</b>                              |              |           |
| Avis Budget Car Rental LLC:                              |              |           |
| 9.63%, 3/15/18   | 190          | 212,325   |
| 8.25%, 1/15/19   | 280          | 297,150   |
| Canadian National Railway Co., 6.90%, 7/15/28            | 500          | 599,603   |
| The Hertz Corp. (b):                                     |              |           |
| 7.50%, 10/15/18  | 335          | 354,681   |
| 6.75%, 4/15/19   | 160          | 163,200   |

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|  |     |           |
|--|-----|-----------|
| 7.38%, 1/15/21   | 180 | 188,100   |
|  |     | 1,815,059 |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b> |     |           |
| Linear Technology Corp., Series A, 3.00%, 5/01/27 (c)    | 105 | 114,319   |
| <b>Software 0.2%</b>                                     |     |           |
| Oracle Corp., 5.38%, 7/15/40 (b)                         | 210 | 204,690   |
| <b>Specialty Retail 1.1%</b>                             |     |           |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 (b)       | 120 | 126,000   |
| Claire s Escrow Corp., 8.88%, 3/15/19 (b)(e)             | 115 | 115,431   |
| Limited Brands, Inc., 8.50%, 6/15/19                     | 320 | 366,400   |
| PETCO Animal Supplies, Inc., 9.25%, 12/01/18 (b)         | 165 | 178,200   |
| Sonic Automotive, Inc.:<br>9.00%, 3/15/18                | 115 | 123,050   |
| Series B, 8.63%, 8/15/13                                 | 205 | 208,075   |
|  |     | 1,117,156 |
| <b>Tobacco 0.1%</b>                                      |     |           |
| Altria Group, Inc., 9.25%, 8/06/19                       | 105 | 136,381   |
| <b>Wireless Telecommunication Services 3.5%</b>          |     |           |
| America Movil SAB de CV, 5.00%, 3/30/20                  | 400 | 412,526   |
| American Tower Corp., 4.50%, 1/15/18                     | 375 | 371,719   |
| Clearwire Communications LLC, 12.00%, 12/01/15 (b)       | 70  | 76,300    |
| Cricket Communications, Inc.:<br>10.00%, 7/15/15         | 125 | 137,813   |
| 7.75%, 5/15/16   | 530 | 560,475   |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (b)              | 375 | 407,263   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

| Corporate Bonds   | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Wireless Telecommunication Services (concluded)</b>                              |              |             |
| Digicel Group Ltd. (b):   |              |             |
| 8.88%, 1/15/15  | USD 170      | \$ 176,800  |
| 9.13%, 1/15/15  | 439          | 457,218     |
| 8.25%, 9/01/17  | 365          | 381,425     |
| iPCS, Inc., 2.43%, 5/01/13 (f)  | 20           | 19,750      |
| SBA Tower Trust, 4.25%, 4/15/40 (b)   | 325          | 339,686     |
| Sprint Capital Corp., 6.88%, 11/15/28   | 170          | 153,213     |
| Syniverse Holdings, Inc., 9.13%, 1/15/19 (b)  | 40           | 43,200      |
|   |              | 3,537,388   |
| <b>Total Corporate Bonds 105.6%</b>   |              | 105,515,185 |
| <b>Floating Rate Loan Interests (f)</b>   |              |             |
| <b>Building Products 0.3%</b>   |              |             |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/13/17                   | 300          | 309,187     |
| <b>Commercial Services &amp; Supplies 0.8%</b>                                      |              |             |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>7.75%, 6/10/16                        | 165          | 169,434     |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16                                   | 225          | 226,929     |
| Volume Services America, Inc. (Centerplate),<br>Term Loan B, 10.50% 10.75%, 8/24/16 | 359          | 362,540     |
|   |              | 758,903     |
| <b>Construction &amp; Engineering 0.7%</b>  |              |             |
| Safway Services, LLC, Last Out Term Loan,<br>15.63%, 12/14/17                       | 750          | 750,000     |
| <b>Consumer Finance 1.5%</b>  |              |             |
| AGFS Funding Co., Term Loan, 7.25%, 4/21/15   | 1,500        | 1,513,350   |
| <b>Diversified Consumer Services 0.5%</b>   |              |             |
| Laureate Education, Series A New Term Loan,<br>7.00%, 8/15/14                       | 495          | 497,875     |
| <b>Electric Utilities 0.0%</b>  |              |             |
| New Development Holdings LLC, Term Loan,<br>7.00%, 7/03/17                          | 21           | 21,534      |

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**Food Products 0.3%**

|  |     |         |
|--|-----|---------|
| Pierre Foods, Term Loan, 11.25%, 9/29/17 | 300 | 307,500 |
|--|-----|---------|

**Health Care Providers & Services 0.7%**

|   |     |                |
|---|-----|----------------|
| Harden Healthcare, Inc.:                          |     |                |
| Add-on Term Loan, 7.75%, 3/02/15                  | 190 | 186,200        |
| Tranche A Term Loan, 8.50%, 2/22/15               | 180 | 176,444        |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.), |     |                |
| Term Loan B, 4.75%, 7/31/16                       | 299 | 299,806        |
|   |     | <u>662,450</u> |

**Hotels, Restaurants & Leisure 0.1%**

|   |     |         |
|---|-----|---------|
| Harrah's Operating Co., Inc., Term Loan B-3, 3.30%, 1/28/15 | 150 | 139,271 |
|---|-----|---------|

**Household Durables 0.7%**

|  |     |                |
|--|-----|----------------|
| Visant Corp. (FKA Jostens), Term Loan B, 7.00%, 12/20/16 |     |                |
|  | 399 | 402,571        |
| Visant Holding Corp. 5.25% 12/22/16                      | 350 | 350,000        |
|  |     | <u>752,571</u> |

| Floating Rate Loan Interests (f)              | Par<br>(000) | Value          |
|---|--------------|----------------|
| <b>IT Services 0.6%</b>                       |              |                |
| First Data Corp.:                             |              |                |
| Initial Tranche B-1 Term Loan, 3.01%, 9/24/14 | USD 62       | \$ 58,960      |
| Initial Tranche B-2 Term Loan, 3.01%, 9/24/14 | 153          | 145,150        |
| Initial Tranche B-3 Term Loan, 3.01%, 9/24/14 | 378          | 357,533        |
|   |              | <u>561,643</u> |

**Independent Power Producers & Energy Traders 1.2%**

|  |     |                  |
|--|-----|------------------|
| NRG Energy, Inc.:                                    |     |                  |
| Credit-Linked Deposit, 2.05%, 2/01/13                | (j) | 31               |
| Letter of Credit, 3.55%, 8/31/15                     | 82  | 82,774           |
| Term Loan, 2.00% 2.05%, 2/01/13                      | 21  | 20,505           |
| Term Loan, 3.55%, 8/31/15                            | 98  | 98,608           |
| Texas Competitive Electric Holdings Co., LLC (TXU):  |     |                  |
| Initial Tranche B-1 Term Loan, 3.76% 3.80%, 10/10/14 | 982 | 827,777          |
| Term Loan B2, 3.76% 3.80%, 10/10/14                  | 236 | 199,077          |
|  |     | <u>1,228,772</u> |

**Media 3.6%**

|   |       |                  |
|---|-------|------------------|
| Cengage Learning Acquisitions, Inc. (Thomson Learning),     |       |                  |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14             | 488   | 489,694          |
| Intelsat Jackson Holdings Ltd., Term Loan B, 5.25%, 3/07/18 | 2,500 | 2,516,797        |
| Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13         | 550   | 584,719          |
|   |       | <u>3,591,210</u> |

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**Metals & Mining 0.1%**

|  |    |         |
|--|----|---------|
| Euramax International, Inc., Domestic Term Loan: |    |         |
| 10.00%, 6/29/13                                  | 65 | 62,201  |
| 14.00%, 6/29/13                                  | 62 | 59,710  |
|  |    | 121,911 |

**Oil, Gas & Consumable Fuels 0.9%**

|   |     |         |
|---|-----|---------|
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/30/15 | 861 | 882,663 |
|---|-----|---------|

**Real Estate Investment Trusts (REITs) 0.1%**

|   |     |        |
|---|-----|--------|
| iStar Financial, Inc., Term Loan (Second Lien),<br>1.76%, 6/28/11 | 100 | 98,625 |
|---|-----|--------|

**Real Estate Management & Development 1.3%**

|  |     |           |
|--|-----|-----------|
| Realogy Corp.:   |     |           |
| Initial Term Loan B, 4.56%, 10/10/13                   | 609 | 584,532   |
| Synthetic Letter of Credit, 0.11% - 4.40%,<br>10/10/13 | 72  | 69,271    |
| Term Loan B, 4.56%, 10/16/16                           | 609 | 584,397   |
| Term Loan C, 4.51%, 10/16/16                           | 72  | 69,255    |
|  |     | 1,307,455 |

**Specialty Retail 0.1%**

|   |    |        |
|---|----|--------|
| Claire's Stores, Inc., Term Loan B, 3.01% - 5.00%,<br>5/29/14 | 64 | 61,978 |
|---|----|--------|

**Wireless Telecommunication Services 0.8%**

|  |     |         |
|--|-----|---------|
| Vodafone Americas Finance 2, Inc., Initial Loan,<br>6.88%, 7/30/15 | 776 | 803,675 |
|--|-----|---------|

**Total Floating Rate Loan Interests 14.3%** 14,370,573

**Foreign Agency Obligations**

|  |     |         |
|--|-----|---------|
| Qatar Government International Bond, 4.00%,<br>1/20/15 (b) | 200 | 205,000 |
| Republic of Indonesia, 5.88%, 3/13/20 (b)                  | 200 | 214,250 |

**Total Foreign Agency Obligations 0.4%** 419,250

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

| Other Interests (k)  | Beneficial<br>Interest<br>(000) | Value            |
|--|---------------------------------|------------------|
| <b>Auto Components 1.9%</b>  |                                 |                  |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B<br>Membership Interests (a) | USD                             | (j) \$ 1,912,225 |
| <b>Health Care Providers &amp; Services 0.0%</b>                                 |                                 |                  |
| Critical Care Systems International, Inc. (a)                                    | 1                               | 95               |
| <b>Media 0.0%</b>  |                                 |                  |
| Adelphia Communications Corp. (a)  | 400                             | 6,040            |
| <b>Total Other Interests 1.9%</b>  |                                 | 1,918,360        |

## Preferred Securities

| Capital Trusts                          | Par<br>(000) |           |
|---|--------------|-----------|
| <b>Commercial Banks 0.9%</b>            |              |           |
| Barclays Bank Plc, 8.55% (b)(f)(l)      | 650          | 645,125   |
| USB Capital XIII Trust, 6.63%, 12/15/39 | 225          | 236,797   |
|   |              | 881,922   |
| <b>Consumer Finance 0.5%</b>            |              |           |
| Capital One Capital V, 10.25%, 8/15/39  | 465          | 505,106   |
| <b>Total Capital Trusts 1.4%</b>        |              | 1,387,028 |

## Preferred Stocks

| Preferred Stocks                                  | Shares  |         |
|---|---------|---------|
| <b>Media 0.0%</b>                                 |         |         |
| CMP Susquehanna Radio Holdings Corp. (a)(b)       | 9,328   |         |
| <b>Professional Services 0.1%</b>                 |         |         |
| Nielsen Holdings NV, 6.25% (a)(c)                 | 158,300 | 87,362  |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b> |         |         |
| MPG Office Trust, Inc., Series A, 7.63% (a)(c)    | 3,277   | 60,788  |
| <b>Total Preferred Stocks 0.2%</b>                |         | 148,150 |

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|                                   |             |  |  |  |           |
|-----------------------------------|-------------|--|--|--|-----------|
| <b>Total Preferred Securities</b> | <b>1.6%</b> |  |  |  | 1,535,178 |
|-----------------------------------|-------------|--|--|--|-----------|

| <b>Taxable Municipal Bonds</b>   |             |     | <b>Par<br/>(000)</b> |  |         |
|--|-------------|-----|----------------------|--|---------|
| Metropolitan Transportation Authority, RB, Build America Bonds, Series TR, 6.81%, 11/15/40 |             | USD | 300                  |  | 311,478 |
| <b>Total Taxable Municipal Bonds</b>   | <b>0.3%</b> |     |                      |  | 311,478 |

**U.S. Government Sponsored Agency Securities**

| <b>Collateralized Mortgage Obligations</b>   |             |  |     |  |         |
|--|-------------|--|-----|--|---------|
| Ginnie Mae Mortgage-Backed Securities, Series 2006-68, Class B, 1.00%, 6/16/31 (f) | <b>0.4%</b> |  | 310 |  | 338,029 |
| <b>Total U.S. Government Sponsored Agency Securities</b>                           | <b>0.4%</b> |  |     |  | 338,029 |

| <b>U.S. Treasury Obligations</b>       |             |     | <b>Par<br/>(000)</b> |    | <b>Value</b> |
|--|-------------|-----|----------------------|----|--------------|
| U.S. Treasury Bonds, 4.38%, 5/15/40    |             | USD | 250                  | \$ | 245,077      |
| U.S. Treasury Notes:                   |             |     |                      |    |              |
| 3.75%, 11/15/18                        |             |     | 475                  |    | 501,311      |
| 2.63%, 8/15/20                         |             |     | 1,000                |    | 940,000      |
| 2.63%, 11/15/20                        |             |     | 565                  |    | 528,628      |
| <b>Total U.S. Treasury Obligations</b> | <b>2.2%</b> |     |                      |    | 2,215,016    |

| <b>Warrants (m)</b>  |             |  | <b>Shares</b> |  |   |
|--|-------------|--|---------------|--|---|
| <b>Media</b>   | <b>0.0%</b> |  |               |  |   |
| CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (b) |             |  | 10,660        |  |   |
| <b>Software</b>  | <b>0.0%</b> |  |               |  |   |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17)    |             |  | 56            |  | 1 |
| <b>Total Warrants</b>                                      | <b>0.0%</b> |  |               |  | 1 |

|  |               |  |  |  |             |
|--|---------------|--|--|--|-------------|
| <b>Total Long-Term Investments</b><br>(Cost \$119,586,240) | <b>126.7%</b> |  |  |  | 126,645,767 |
|--|---------------|--|--|--|-------------|



**Short-Term Securities**

|   |           |           |
|---|-----------|-----------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.15% (n)(o) | 1,089,292 | 1,089,292 |
| <b>Total Short-Term Securities</b><br>(Cost \$1,089,292) 1.1%             |           | 1,089,292 |

**Options Purchased**

**Contracts**

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

Marsico Parent Superholdco LLC, Strike Price  
USD 942.86, Expires 12/21/19,  
Broker Goldman Sachs Bank USA

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**Total Options Purchased**

(Cost \$5,867) 0.0%

|   |                      |
|---|----------------------|
| <b>Total Investments (Cost \$120,681,399*) 127.8%</b> | 127,735,059          |
| <b>Liabilities in Excess of Other Assets (27.8)%</b>  | (27,762,901)         |
| <b>Net Assets 100.0%</b>                              | <b>\$ 99,972,158</b> |

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

|                               |                     |
|-------------------------------|---------------------|
| Aggregate cost                | \$ 120,723,005      |
| Gross unrealized appreciation | \$ 7,776,102        |
| Gross unrealized depreciation | (764,048)           |
| Net unrealized appreciation   | <b>\$ 7,012,054</b> |

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933.  
These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Convertible security.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

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## Schedule of Investments (continued)

## BlackRock Strategic Bond Trust (BHD)

(e) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                | Value      | Unrealized<br>Appreciation |
|-----------------------------|------------|----------------------------|
| Bank of America Securities  | \$ 66,138  | \$ 738                     |
| Credit Suisse International | \$ 204,531 | \$ 2,731                   |

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

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

(h) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.

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

(j) Amount is less than \$1,000.

(k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

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

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

(n) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31,<br>2010 | Net<br>Activity | Shares Held<br>at<br>February 28,<br>2011 | Income   |
|--|--------------------------------------|-----------------|---|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,132,209                            | (42,917)        | 1,089,292                                 | \$ 1,601 |

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

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

| Contracts | Issue | Exchange | Expiration | Notional<br>Value | Unrealized<br>Appreciation |
|-----------|-------|----------|------------|-------------------|----------------------------|
|-----------|-------|----------|------------|-------------------|----------------------------|

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|              |                               |                    |           |    |           |    |        |               |
|--------------|-------------------------------|--------------------|-----------|----|-----------|----|--------|---------------|
| 18           | 2-Year U.S. Treasury Note     | Chicago Mercantile | June 2011 | \$ | 3,923,754 | \$ | 5,589  |               |
| 28           | 5-Year U.S. Treasury Note     | Chicago Mercantile | June 2011 | \$ | 3,254,834 |    | 19,416 |               |
| 5            | Ultra Long U.S. Treasury Bond | Chicago Mercantile | June 2011 | \$ | 617,938   |    | 31     |               |
| <b>Total</b> |                               |                    |           |    |           |    | \$     | <b>25,036</b> |

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

| Contracts    | Issue                      | Exchange           | Expiration | Notional Value | Unrealized Depreciation |                 |
|--------------|----------------------------|--------------------|------------|----------------|-------------------------|-----------------|
| 6            | 30-Year U.S. Treasury Bond | Chicago Mercantile | June 2011  | \$ 721,912     | \$ (150)                |                 |
| 36           | 10-Year U.S. Treasury Note | Chicago Mercantile | June 2011  | \$ 4,274,691   | (10,997)                |                 |
| <b>Total</b> |                            |                    |            |                | \$                      | <b>(11,147)</b> |

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

| Currency Purchased | Currency Sold | Counterparty             | Settlement Date | Unrealized Depreciation |                 |
|--------------------|---------------|--------------------------|-----------------|-------------------------|-----------------|
| USD                | 86,175 GBP    | Citibank NA              | 4/14/11         | \$ (766)                |                 |
| USD                | 85,733 GBP    | Deutsche Bank AG         | 4/14/11         | (395)                   |                 |
| USD                | 245,815 GBP   | Deutsche Bank Securities | 4/14/11         | (3,630)                 |                 |
| USD                | 5,962,554 EUR | Citibank NA              | 4/27/11         | (45,793)                |                 |
| USD                | 399,893 EUR   | Royal Bank of Scotland   | 4/27/11         | (2,778)                 |                 |
| <b>Total</b>       |               |                          |                 | \$                      | <b>(53,362)</b> |

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

| Issuer                         | Pay Fixed Rate | Counterparty                          | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--------------------------------|----------------|---------------------------------------|-----------------|-----------------------|-------------------------|
| iStar Financial, Inc.          | 5.00%          | Morgan Stanley Capital Services, Inc. | 9/20/11         | \$ 500                | \$ (37,441)             |
| Harrah's Operating Co., Inc.   | 5.00%          | Deutsche Bank AG                      | 12/20/15        | \$ 350                | (48,829)                |
| Republic of Hungary            | 1.00%          | Deutsche Bank AG                      | 12/20/15        | \$ 110                | (1,994)                 |
| K. Hovnanian Enterprises, Inc. | 5.00%          | JPMorgan Chase Bank NA                | 12/20/15        | \$ 250                | (39,710)                |
| The New York Times Co.         | 1.00%          | Barclays Bank Plc                     | 12/20/16        | \$ 500                | (9,654)                 |

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**Total** \$ (137,628)

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## Schedule of Investments (continued)

## BlackRock Strategic Bond Trust (BHD)

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

| Issuer                | Receive Fixed Rate | Counterparty                          | Expiration | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|-----------------------|--------------------|---------------------------------------|------------|-----------------------------------|------------------------------------|-------------------------|
| MetLife, Inc.         | 5.00%              | Deutsche Bank AG                      | 6/20/15    | A                                 | \$ 150                             | \$ 14,243               |
| MetLife, Inc.         | 1.00%              | UBS AG                                | 9/20/15    | A                                 | \$ 175                             | 9,486                   |
| M.D.C. Holdings, Inc. | 1.00%              | Deutsche Bank AG                      | 12/20/15   | BBB                               | \$ 125                             | 1,199                   |
| D.R. Horton, Inc.     | 1.00%              | JPMorgan Chase Bank NA                | 12/20/15   | BB                                | \$ 100                             | 3,077                   |
| M.D.C. Holdings, Inc. | 1.00%              | JPMorgan Chase Bank NA                | 12/20/15   | BBB                               | \$ 125                             | 677                     |
| Realogy Corp.         | 5.00%              | JPMorgan Chase Bank NA                | 12/20/15   | CC                                | \$ 275                             | 15,830                  |
| M.D.C. Holdings, Inc. | 1.00%              | Morgan Stanley Capital Services, Inc. | 12/20/15   | BBB                               | \$ 200                             | 913                     |
| Chesapeake Energy     | 5.00%              | Credit Suisse International           | 3/20/16    | BB                                | \$ 100                             | 1,875                   |
| Chesapeake Energy     | 5.00%              | Goldman Sachs Bank USA                | 3/20/16    | BB                                | \$ 150                             | 1,668                   |
| Realogy Corp.         | 5.00%              | JPMorgan Chase Bank NA                | 3/20/16    | CC                                | \$ 50                              | 210                     |
| Chesapeake Energy     | 5.00%              | JPMorgan Chase Bank NA                | 3/20/16    | BB                                | \$ 100                             | 1,875                   |
| <b>Total</b>          |                    |                                       |            |                                   |                                    | <b>\$ 51,053</b>        |

1 Using S&P's rating.

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

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

| Index                        | Pay Fixed Rate | Counterparty     | Expiration | Notional Amount (000) | Unrealized Depreciation |
|------------------------------|----------------|------------------|------------|-----------------------|-------------------------|
| MCDX North America Series 15 | 1.00%          | Citibank NA      | 12/20/15   | \$ 500                | \$ (2,323)              |
| MCDX North America Series 15 | 1.00%          | Deutsche Bank AG | 12/20/15   | \$ 225                | (1,207)                 |
| <b>Total</b>                 |                |                  |            |                       | <b>\$ (3,530)</b>       |

For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

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

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

| Valuation Inputs                            | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                              |                     |                       |                     |                       |
| Investments in Securities:                  |                     |                       |                     |                       |
| Common Stocks                               | \$ 22,405           | \$ 292                |                     | \$ 22,697             |
| Corporate Bonds                             |                     | 105,271,488           | \$ 243,697          | 105,515,185           |
| Floating Rate Loan Interests                |                     | 11,264,091            | 3,106,482           | 14,370,573            |
| Foreign Agency Obligations                  |                     | 419,250               |                     | 419,250               |
| Other Interests                             |                     | 1,912,225             | 6,135               | 1,918,360             |
| Preferred Securities                        | 60,788              | 1,474,390             |                     | 1,535,178             |
| Taxable Municipal Bonds                     |                     | 311,478               |                     | 311,478               |
| U.S. Government Sponsored Agency Securities |                     | 338,029               |                     | 338,029               |
| U.S. Treasury Obligations                   |                     | 2,215,016             |                     | 2,215,016             |
| Warrants                                    |                     |                       | 1                   | 1                     |
| Short-Term Securities                       | 1,089,292           |                       |                     | 1,089,292             |
| <b>Liabilities:</b>                         |                     |                       |                     |                       |
| Unfunded Loan Commitments                   |                     |                       | (4,843)             | (4,843)               |
| <b>Total</b>                                | <b>\$ 1,172,485</b> | <b>\$ 123,206,259</b> | <b>\$ 3,351,472</b> | <b>\$ 127,730,216</b> |

See Notes to Financial Statements.

## Schedule of Investments (concluded)

## BlackRock Strategic Bond Trust (BHD)

| Valuation Inputs              | Derivative Financial Instruments <sup>1</sup> |              |         |              |
|-------------------------------|---|--------------|---------|--------------|
|                               | Level 1                                       | Level 2      | Level 3 | Total        |
| <b>Assets:</b>                |   |              |         |              |
| Credit contracts              |   | \$ 51,053    |         | \$ 51,053    |
| Interest rate contracts       | \$ 25,036                                     |              |         | 25,036       |
| <b>Liabilities:</b>           |   |              |         |              |
| Credit contracts              |   | (141,158)    |         | (141,158)    |
| Foreign currency transactions |   | (53,362)     |         | (53,362)     |
| Interest rate contracts       | (11,147)                                      |              |         | (11,147)     |
| <b>Total</b>                  | \$ 13,889                                     | \$ (143,467) |         | \$ (129,578) |

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

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

|   | Common<br>Stocks | Corporate<br>Bonds | Floating Rate<br>Loan<br>Interests | Other<br>Interests | Preferred<br>Securities | Warrants | Unfunded Loan<br>Commitments | Total        |
|---|------------------|--------------------|------------------------------------|--------------------|-------------------------|----------|------------------------------|--------------|
| <b>Assets/Liabilities:</b>                                      |                  |                    |                                    |                    |                         |          |                              |              |
| Balance, as of August 31, 2010                                  | \$ 13,235        | \$ 17,453          | \$ 3,420,874                       | \$ 191             | \$ 65,455               |          | \$ (8,879)                   | \$ 3,508,329 |
| Accrued discounts/premiums                                      |                  | 1,368              | 155,723                            |                    |                         |          |                              | 157,091      |
| Net realized gain (loss)  | (339,690)        |                    | 50,342                             |                    | 130,416                 |          |                              | (158,932)    |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 363,363          | 28,068             | (109,990)                          | (96)               | (13,289)                | \$ 1     | 4,036                        | 272,093      |
| Purchases   |                  | 225,000            | 1,211,241                          |                    |                         |          |                              | 1,436,241    |
| Sales   | (36,908)         |                    | (1,559,730)                        |                    | (182,582)               |          |                              | (1,779,220)  |
| Transfers in <sup>3</sup>                                       |                  | 5                  |                                    | 6,040              |                         |          |                              | 6,045        |
| Transfers out <sup>3</sup>                                      |                  | (28,197)           | (61,978)                           |                    |                         |          |                              | (90,175)     |
| <b>Balance, as of February 28, 2011</b>                         |                  | \$ 243,697         | \$ 3,106,482                       | \$ 6,135           |                         | \$ 1     | \$ (4,843)                   | \$ 3,351,472 |

- <sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on securities still held at February 28, 2011 was \$272,093.

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



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See Notes to Financial Statements.

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## Statements of Assets and Liabilities

| February 28, 2011 (Unaudited)                                  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) | BlackRock<br>High Income<br>Shares<br>(HIS) | BlackRock<br>High Yield<br>Trust<br>(BHY) |
|--|--|---|--|---|---|
| <b>Assets</b>  |  |   |  |   |   |
| Investments at value unaffiliated                              | \$ 736,461,488                           | \$ 539,227,737  | \$ 551,671,756   | \$ 149,480,312                              | \$ 53,751,262                             |
| Investments at value affiliated                                | 2,222,695                                | 1,708,712   | 1,225,083  | 1,388,372                                   | 1,590,898                                 |
| Unrealized appreciation on foreign currency exchange contracts | 547,327                                  | 67  | 71   |   |   |
| Unrealized appreciation on swaps                               | 294,515                                  | 389,277   | 456,881  |   | 12,189                                    |
| Unrealized appreciation on unfunded loan commitments           |  | 1,563   | 4,056  |   |   |
| Cash pledged as collateral for financial futures contracts     | 1,564,000                                | 770,000   | 815,000  | 200,000                                     |   |
| Cash   |  | 14,612  |  |   |   |
| Foreign currency at value <sup>3</sup>                         | 158,783                                  | 1,006,975   | 201,954  | 6,352                                       |   |
| Cash pledged as collateral for swaps                           |  |   |  |   |   |
| TBA sale commitments receivable                                | 193,476,453                              |   |  |   |   |
| Investments sold receivable                                    | 91,692,008                               | 7,706,759   | 7,448,452  | 5,643,515                                   | 907,581                                   |
| Interest receivable  | 5,733,710                                | 9,057,249   | 9,564,595  | 2,595,463                                   | 1,073,591                                 |
| Swap premiums paid   | 779,629                                  | 1,353,543   | 1,374,546  |   | 146,368                                   |
| Principal paydowns receivable                                  | 27,287                                   | 467,557   |  |   |   |
| Options written receivable                                     | 23,960                                   |   |  |   |   |
| Dividends receivable unaffiliated                              | 21,782                                   | 89,947  | 81,983   | 20,211                                      |   |
| Swaps receivable   | 13,836                                   | 103,335   | 111,667  |   | 3,520                                     |
| Commitment fees receivable                                     | 3,731                                    | 27  | 149  |   |   |
| Dividends receivable affiliated                                | 1,275                                    | 2,634   | 2,801  | 60  | 367                                       |
| Margin variation receivable                                    |  |   |  |   |   |
| Prepaid expenses   | 31,911                                   | 118,864   | 124,771  | 50,948                                      | 17,494                                    |
| Other assets   | 46,199                                   | 72,210  | 75,854   | 10,154                                      | 11,640                                    |
| <b>Total assets</b>  | <b>1,033,100,589</b>                     | <b>562,091,068</b>  | <b>573,159,619</b>   | <b>159,395,387</b>                          | <b>57,514,910</b>                         |
| <b>Liabilities</b>   |  |   |  |   |   |
| TBA sale commitments at value <sup>4</sup>                     | 194,314,061                              |   |  |   |   |
| Reverse repurchase agreements                                  | 150,125,157                              |   |  |   |   |
| Loan payable   |  | 134,000,000   | 127,000,000  | 28,000,000                                  | 10,000,000                                |
| Options written at value <sup>5</sup>                          | 9,110,839                                |   |  |   |   |
| Unrealized depreciation on swaps                               | 515,293                                  | 862,839   | 787,924  |   | 59,528                                    |
| Interest rate floors at value <sup>6</sup>                     |  |   |  |   |   |
| TALF loans at value <sup>7</sup>                               |  |   |  |   |   |
| Unrealized depreciation on unfunded loan commitments           |  | 38,321  | 19,704   | 1,105                                       | 2,182                                     |
| Unrealized depreciation on foreign currency exchange contracts | 833,729                                  | 252,933   | 269,959  | 36,740                                      |   |
| Bank overdraft   | 3,919,419                                |   |  |   | 9,941                                     |
| Investments purchased payable                                  | 308,176,887                              | 8,182,867   | 6,856,072  | 3,620,224                                   | 570,315                                   |

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|  |                       |                       |                       |                       |                      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Swap premiums received                                     | 367,677               | 1,032,445             | 1,080,266             |                       | 50,723               |
| Investment advisory fees payable                           | 217,577               | 251,829               | 300,733               | 90,070                | 45,533               |
| Swaps payable  | 185,740               | 91,625                | 91,774                |                       | 7,664                |
| Margin variation payable                                   | 67,720                | 57,670                | 61,320                | 10,950                |                      |
| Interest expense payable                                   | 59,669                | 350,687               | 235,638               | 78,811                | 12,827               |
| Officers and Trustees fees payable                         | 48,296                | 63,301                | 67,073                | 11,016                | 10,750               |
| Income dividends payable                                   | 46,105                | 75,247                | 101,596               | 35,791                | 5,817                |
| Other affiliates payable                                   | 2,520                 | 2,307                 | 2,388                 | 699                   |                      |
| Administration fees payable                                |                       |                       |                       |                       | 4,345                |
| Other accrued expenses payable                             | 159,899               | 134,413               | 252,480               | 142,760               | 89,200               |
| Other liabilities  | 88,786                |                       |                       |                       |                      |
| <b>Total liabilities</b>                                   | <b>668,239,374</b>    | <b>145,396,484</b>    | <b>137,126,927</b>    | <b>32,028,166</b>     | <b>10,868,825</b>    |
| <b>Net Assets</b>  | <b>\$ 364,861,215</b> | <b>\$ 416,694,584</b> | <b>\$ 436,032,692</b> | <b>\$ 127,367,221</b> | <b>\$ 46,646,085</b> |
| <sup>1</sup> Investments at cost unaffiliated              | \$ 720,761,612        | \$ 512,793,951        | \$ 526,146,168        | \$ 142,423,935        | \$ 50,437,559        |
| <sup>2</sup> Investments at cost affiliated                | \$ 2,222,695          | \$ 1,708,712          | \$ 1,225,083          | \$ 1,388,372          | \$ 1,590,898         |
| <sup>3</sup> Foreign currency at cost                      | \$ 151,439            | \$ 993,155            | \$ 200,256            | \$ 6,211              |                      |
| <sup>4</sup> Proceeds receivable from TBA sale commitments | \$ 193,476,453        |                       |                       |                       |                      |
| <sup>5</sup> Premiums received                             | \$ 9,961,055          |                       |                       |                       |                      |
| <sup>6</sup> Interest rate floors at cost                  |                       |                       |                       |                       |                      |
| <sup>7</sup> Proceeds from TALF loans                      |                       |                       |                       |                       |                      |

See Notes to Financial Statements.

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|  | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income<br>Trust, Inc.<br>(BKT) | BlackRock<br>Strategic Bond<br>Trust<br>(BHD) |
|--|--|---|---|
| <b>Assets</b>  |  |   |   |
| Investments at value unaffiliated                              | \$ 728,880,707   | \$ 1,088,503,942                            | \$ 126,645,767                                |
| Investments at value affiliated                                | 6,527,500  | 36,489,702                                  | 1,089,292                                     |
| Unrealized appreciation on foreign currency exchange contracts | 546,426  |   |   |
| Unrealized appreciation on swaps                               | 152,151  | 23,071,816                                  | 51,053  |
| Unrealized appreciation on unfunded loan commitments           |  |   |   |
| Cash pledged as collateral for financial futures contracts     | 238,000  | 5,310,000                                   | 70,000  |
| Cash   | 6,910,435  |   |   |
| Foreign currency at value <sup>3</sup>                         | 775,717  |   | 62,445  |
| Cash pledged as collateral for swaps                           |  | 1,600,000                                   |   |
| TBA sale commitments receivable                                | 182,488,008  | 269,507,715                                 |   |
| Investments sold receivable                                    | 149,367,113  | 430,811,913                                 | 1,315,099                                     |
| Interest receivable  | 5,852,192  | 3,682,754                                   | 1,955,101                                     |
| Swap premiums paid   | 779,629  | 137,894                                     | 329,020                                       |
| Principal paydowns receivable                                  | 4,834  | 842,718                                     |   |
| Options written receivable                                     | 23,613   | 32,294                                      |   |
| Dividends receivable unaffiliated                              |  |   |   |
| Swaps receivable   | 31,463   | 2,110,612                                   | 9,565   |
| Commitment fees receivable                                     |  |   |   |
| Dividends receivable affiliated                                | 260  | 318   | 36  |
| Margin variation receivable                                    |  |   | 975   |
| Prepaid expenses   | 32,557   | 31,403                                      | 29,272  |
| Other assets   | 70,625   | 86,411                                      | 8,064   |
| <b>Total assets</b>  | <b>1,082,681,230</b>                                       | <b>1,862,219,492</b>                        | <b>131,565,689</b>                            |
| <b>Liabilities</b>   |  |   |   |
| TBA sale commitments at value <sup>4</sup>                     | 183,215,295  | 270,997,456                                 |   |
| Reverse repurchase agreements                                  | 158,259,949  | 82,115,250                                  |   |
| Loan payable   |  |   | 29,000,000                                    |
| Options written at value <sup>5</sup>                          | 8,907,050  | 1,305,835                                   |   |
| Unrealized depreciation on swaps                               | 524,343  | 19,756,308                                  | 141,158                                       |
| Interest rate floors at value <sup>6</sup>                     |  | 1,454,810                                   |   |
| TALF loans at value <sup>7</sup>                               |  | 10,940,517                                  |   |
| Unrealized depreciation on unfunded loan commitments           |  |   | 4,843   |
| Unrealized depreciation on foreign currency exchange contracts | 840,687  |   | 53,362  |
| Bank overdraft   |  |   | 90,287  |
| Investments purchased payable                                  | 367,169,131  | 974,287,159                                 | 2,004,342                                     |
| Swap premiums received   | 300,964  | 1,119,246                                   | 85,300  |
| Investment advisory fees payable                               | 164,598  | 244,218                                     | 73,322  |
| Swaps payable  | 170,432  | 3,218,769                                   | 20,293  |
| Margin variation payable                                       | 98,403   | 194,443                                     |   |
| Interest expense payable                                       | 41,160   | 23,452                                      | 73,901  |
| Officers and Trustees fees payable                             | 72,518   | 88,524                                      | 9,924   |
| Income dividends payable                                       | 46,103   | 50,733                                      | 8,986   |
| Other affiliates payable                                       |  |   | 870   |

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|   |                       |                       |                      |
|---|-----------------------|-----------------------|----------------------|
| Administration fees payable                     | 27,467                | 56,604                |                      |
| Other accrued expenses payable                  | 462,381               | 195,370               | 26,943               |
| Other liabilities                               |                       | 48,984                |                      |
| <b>Total liabilities</b>                        | <b>720,300,481</b>    | <b>1,366,097,678</b>  | <b>31,593,531</b>    |
| <b>Net Assets</b>                               | <b>\$ 362,380,749</b> | <b>\$ 496,121,814</b> | <b>\$ 99,972,158</b> |
| 1 Investments at cost unaffiliated              | \$ 715,104,100        | \$ 1,081,837,056      | \$ 119,592,107       |
| 2 Investments at cost affiliated                | \$ 6,527,500          | \$ 36,489,702         | \$ 1,089,292         |
| 3 Foreign currency at cost                      | \$ 767,943            |                       | \$ 61,419            |
| 4 Proceeds receivable from TBA sale commitments | \$ 182,488,008        | \$ 269,507,715        |                      |
| 5 Premiums received                             | \$ 9,476,295          | \$ 1,634,665          |                      |
| 6 Interest rate floors at cost                  |                       | \$ 1,013,333          |                      |
| 7 Proceeds from TALF loans                      |                       | \$ 10,940,517         |                      |

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## Statements of Assets and Liabilities (concluded)

| February 28, 2011 (Unaudited)                                    | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) | BlackRock<br>High Income<br>Shares<br>(HIS) | BlackRock<br>High Yield<br>Trust<br>(BHY) |
|--|--|---|--|---|---|
| <b>Net Assets Consist of</b>                                     |  |   |  |   |   |
| Paid-in capital <sup>8,9,10</sup>                                | \$ 378,671,939                           | \$ 469,820,161  | \$ 505,109,247   | \$ 184,778,474                              | \$ 63,364,045                             |
| Cost of shares held in treasury <sup>11</sup>                    |  |   |  |   |   |
| Undistributed (distributions in excess of) net investment income | 5,036,646                                | 4,442,265   | 6,081,735  | 1,854,358                                   | (50,089)                                  |
| Undistributed (accumulated) net realized gain (loss)             | (33,562,929)                             | (82,815,724)  | (99,618,393)   | (66,199,824)                                | (19,933,027)                              |
| Net unrealized appreciation/depreciation                         | 14,715,559                               | 25,247,882  | 24,460,103   | 6,934,213                                   | 3,265,156                                 |
| <b>Net Assets</b>  | <b>\$ 364,861,215</b>                    | <b>\$ 416,694,584</b>   | <b>\$ 436,032,692</b>  | <b>\$ 127,367,221</b>                       | <b>\$ 46,646,085</b>                      |
| Net asset value  | \$ 13.51                                 | \$ 12.65  | \$ 12.35   | \$ 2.33                                     | \$ 7.26                                   |
| <sup>8</sup> Par value per share                                 | \$ 0.001                                 | \$ 0.100  | \$ 0.100   |   | \$ 0.001                                  |
| <sup>9</sup> Shares outstanding                                  | 27,023,027                               | 32,944,087  | 35,294,009   | 54,620,872                                  | 6,427,525                                 |
| <sup>10</sup> Shares authorized                                  | unlimited                                | 200 million   | 200 million  | unlimited                                   | unlimited                                 |
| <sup>11</sup> Shares held in treasury                            |  |   |  |   |   |

See Notes to Financial Statements.

|  | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, Inc.<br/>(BNA)</b> | <b>BlackRock<br/>Income<br/>Trust, Inc.<br/>(BKT)</b> | <b>BlackRock<br/>Strategic Bond<br/>Trust<br/>(BHD)</b> |
|--|---|---|---|
| <b>Net Assets Consist of</b>                                     |   |   |   |
| Paid-in capital <sup>8,9,10</sup>                                | \$ 402,924,496  | \$ 478,542,248  | \$ 98,450,652   |
| Cost of shares held in treasury <sup>11</sup>                    | (17,377,850)  |   |   |
| Undistributed (distributions in excess of) net investment income | 5,155,609   | 779,700   | 902,480   |
| Undistributed (accumulated) net realized gain (loss)             | (40,532,415)  | 10,430,696  | (6,303,827)   |
| Net unrealized appreciation/depreciation                         | 12,210,909  | 6,369,170   | 6,922,853   |
| <b>Net Assets</b>  | <b>\$ 362,380,749</b>   | <b>\$ 496,121,814</b>                                 | <b>\$ 99,972,158</b>                                    |
| Net asset value  | \$ 10.52  | \$ 7.76   | \$ 14.16  |
| <sup>8</sup> Par value per share                                 | \$ 0.010  | \$ 0.010  | \$ 0.001  |
| <sup>9</sup> Shares outstanding                                  | 34,456,370  | 63,942,535  | 7,058,401   |
| <sup>10</sup> Shares authorized                                  | 200 million   | 200 million   | unlimited   |
| <sup>11</sup> Shares held in treasury                            | 1,757,400   |   |   |

## Statements of Operations

| Six Months Ended February 28, 2011 (Unaudited)              | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) | BlackRock<br>High Income<br>Shares<br>(HIS) | BlackRock<br>High Yield<br>Trust<br>(BHY) |
|---|--|---|--|---|---|
| <b>Investment Income</b>                                    |  |   |  |   |   |
| Interest  | \$ 12,528,136                            | \$ 20,071,023   | \$ 21,011,353  | \$ 6,478,697                                | \$ 2,194,879                              |
| Dividends unaffiliated                                      | 23,840                                   | 210,863   | 74,218   | 23,044                                      | 7,252                                     |
| Foreign taxes withheld                                      | (49)                                     |   |  |   |   |
| Dividends affiliated  | 3,268                                    | 4,952   | 4,930  | 1,787                                       | 1,994                                     |
| Facility and other fees                                     | 6,852                                    | 16,704  | 47,810   | 61,581                                      | 8,331                                     |
| <b>Total income</b>   | <b>12,562,047</b>                        | <b>20,303,542</b>   | <b>21,138,311</b>  | <b>6,565,109</b>                            | <b>2,212,456</b>                          |
| <b>Expenses</b>   |  |   |  |   |   |
| Investment advisory   | 1,407,559                                | 1,512,573   | 1,812,223  | 555,962                                     | 281,986                                   |
| Printing  | 48,668                                   | 26,349  | 27,693   | 24,476                                      | 9,571                                     |
| Professional  | 46,251                                   | 84,838  | 90,515   | 46,076                                      | 35,804                                    |
| Custodian   | 34,670                                   | 31,851  | 31,875   | 13,140                                      | 8,022                                     |
| Accounting services   | 30,470                                   | 35,229  | 37,665   | 13,450                                      | 5,372                                     |
| Officer and Trustees  | 21,650                                   | 20,703  | 24,053   | 6,693                                       | 2,674                                     |
| Transfer agent  | 5,911                                    | 22,006  | 23,002   | 12,687                                      | 6,207                                     |
| Registration  | 4,667                                    | 5,550   | 5,925  | 9,096                                       | 4,489                                     |
| Borrowing costs <sup>1</sup>                                |  | 214,316   | 212,978  | 65,561                                      | 25,107                                    |
| Administration  |  |   |  |   | 26,856                                    |
| Miscellaneous   | 65,056                                   | 41,743  | 43,517   | 27,417                                      | 23,752                                    |
| <b>Total expenses excluding interest expense</b>            | <b>1,664,902</b>                         | <b>1,995,158</b>  | <b>2,309,446</b>   | <b>774,558</b>                              | <b>429,840</b>                            |
| Interest expense  | 200,519                                  | 661,044   | 629,408  | 155,216                                     | 56,396                                    |
| <b>Total expenses</b>                                       | <b>1,865,421</b>                         | <b>2,656,202</b>  | <b>2,938,854</b>   | <b>929,774</b>                              | <b>486,236</b>                            |
| Less fees waived by advisor                                 | (381)                                    | (831)   | (821)  | (664)                                       | (589)                                     |
| Less fees paid indirectly                                   |  |   |  |   |   |
| <b>Total expenses after fees waived and paid indirectly</b> | <b>1,865,040</b>                         | <b>2,655,371</b>  | <b>2,938,033</b>   | <b>929,110</b>                              | <b>485,647</b>                            |
| <b>Net investment income</b>                                | <b>10,697,007</b>                        | <b>17,648,171</b>   | <b>18,200,278</b>  | <b>5,635,999</b>                            | <b>1,726,809</b>                          |
| <b>Realized and Unrealized Gain (Loss)</b>                  |  |   |  |   |   |
| Net realized gain (loss) from:                              |  |   |  |   |   |
| Investments   | (379,473)                                | 7,247,673   | 6,717,461  | 1,498,824                                   | (1,169,196)                               |
| Financial futures contracts                                 | (4,896,992)                              | (1,524,239)   | (1,561,238)  | (260,221)                                   |   |



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|  |                       |                      |                      |                      |                     |
|--|-----------------------|----------------------|----------------------|----------------------|---------------------|
| Swaps  | (1,443,336)           | 175,892              | 216,109              |                      | (31,704)            |
| Foreign currency transactions  | (131,257)             | (1,803,159)          | (1,908,591)          | (260,888)            |                     |
| Options written  | 766,894               | 113,750              | 119,750              |                      | 13,000              |
| Borrowed bonds   | (1,514,702)           |                      |                      |                      |                     |
| Interest rate floors   |                       |                      |                      |                      |                     |
|  | (7,598,866)           | 4,209,917            | 3,583,491            | 977,715              | (1,187,900)         |
| <b>Net change in unrealized appreciation/depreciation on:</b>          |                       |                      |                      |                      |                     |
| Investments  | (12,751,165)          | 31,755,076           | 31,620,073           | 8,027,482            | 4,858,958           |
| Financial futures contracts  | (1,041,525)           | (615,578)            | (651,669)            | (132,386)            |                     |
| Swaps  | 566,130               | (429,508)            | (408,099)            |                      | (43,808)            |
| Foreign currency transactions  | 38,777                | (194,805)            | (207,549)            | (30,495)             |                     |
| Options written  | 4,274,577             | (107,893)            | (113,584)            |                      | (12,341)            |
| Unfunded loan commitments  |                       | 33,265               | 20,475               | 921                  | 1,819               |
| Borrowed bonds   | (27)                  |                      |                      |                      |                     |
| Interest rate floors   |                       |                      |                      |                      |                     |
|  | (8,913,233)           | 30,440,557           | 30,259,647           | 7,865,522            | 4,804,628           |
| Total realized and unrealized gain (loss)                              | (16,512,099)          | 34,650,474           | 33,843,138           | 8,843,237            | 3,616,728           |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | <b>\$ (5,815,092)</b> | <b>\$ 52,298,645</b> | <b>\$ 52,043,416</b> | <b>\$ 14,479,236</b> | <b>\$ 5,343,537</b> |

<sup>1</sup> See Note 8 of the Notes to the Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

|   | <b>BlackRock<br/>Income<br/>Opportunity<br/>Trust, Inc.<br/>(BNA)</b> | <b>BlackRock<br/>Income<br/>Trust, Inc.<br/>(BKT)</b> | <b>BlackRock<br/>Strategic<br/>Bond<br/>Trust<br/>(BHD)</b> |
|---|---|---|---|
| <b>Investment Income</b>                                    |   |   |   |
| Interest  | \$ 11,873,171   | \$ 13,187,160   | \$ 4,342,116  |
| Dividends unaffiliated                                      |   |   | 1,212   |
| Foreign taxes withheld                                      | 249   |   | (254)   |
| Dividends affiliated  | 4,288   | 10,651  | 1,982   |
| Facility and other fees                                     | 911   |   | 2,619   |
| <b>Total income</b>   | <b>11,878,619</b>   | <b>13,197,811</b>                                     | <b>4,347,675</b>  |
| <b>Expenses</b>   |   |   |   |
| Investment advisory   | 1,093,036   | 1,595,296   | 439,400   |
| Printing  | 48,562  | 63,197  | 10,130  |
| Professional  | 50,560  | 54,266  | 35,048  |
| Custodian   | 45,489  | 47,965  | 8,023   |
| Accounting services   | 26,515  | 35,307  | 7,666   |
| Officer and Trustees  | 21,902  | 28,551  | 3,994   |
| Transfer agent  | 9,352   | 29,400  | 4,133   |
| Registration  | 5,499   | 10,136  | 3,376   |
| Borrowing costs <sup>1</sup>                                |   |   | 32,952  |
| Administration  | 182,173   | 368,145   |   |
| Miscellaneous   | 55,184  | 46,070  | 22,885  |
| <b>Total expenses excluding interest expense</b>            | <b>1,538,272</b>  | <b>2,278,333</b>                                      | <b>567,607</b>  |
| Interest expense  | 175,046   | 371,133   | 124,300   |
| <b>Total expenses</b>                                       | <b>1,713,318</b>  | <b>2,649,466</b>                                      | <b>691,907</b>  |
| Less fees waived by advisor                                 | (379)   | (2,217)   | (573)   |
| Less fees paid indirectly                                   |   | (143)   | (109)   |
| <b>Total expenses after fees waived and paid indirectly</b> | <b>1,712,939</b>  | <b>2,647,106</b>                                      | <b>691,225</b>  |
| <b>Net investment income</b>                                | <b>10,165,680</b>   | <b>10,550,705</b>                                     | <b>3,656,450</b>  |
| <b>Realized and Unrealized Gain (Loss)</b>                  |   |   |   |
| Net realized gain (loss) from:                              |   |   |   |
| Investments   | (457,424)   | 1,967,409   | 1,250,789   |
| Financial futures contracts                                 | (6,015,314)   | 5,833,761   | (100,303)   |
| Swaps   | 5,000,663   | 4,708,781   | (73,197)  |
| Foreign currency transactions                               | (183,680)   |   | 5,877   |
| Options written   | 720,817   | 39,284  | 28,625  |
| Borrowed bonds  | (786,567)   | (1,373,383)   |   |

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|  |                       |                     |                     |
|--|-----------------------|---------------------|---------------------|
| Interest rate floors   |                       | (1,876,795)         |                     |
|  | (1,721,505)           | 9,299,057           | 1,111,791           |
| <b>Net change in unrealized appreciation/depreciation on:</b>          |                       |                     |                     |
| Investments  | (14,144,504)          | (9,718,690)         | 3,837,032           |
| Financial futures contracts  | (1,043,699)           | (588,259)           | 19,507              |
| Swaps  | (4,592,949)           | (2,675,581)         | (107,911)           |
| Foreign currency transactions  | (227,567)             |                     | (48,900)            |
| Options written  | 4,309,505             | 856,810             | (27,158)            |
| Unfunded loan commitments  |                       |                     | 4,036               |
| Borrowed bonds   | (27)                  |                     |                     |
| Interest rate floors   |                       | 1,825,213           |                     |
|  | (15,699,241)          | (10,300,507)        | 3,676,606           |
| <b>Total realized and unrealized gain (loss)</b>                       | <b>(17,420,746)</b>   | <b>(1,001,450)</b>  | <b>4,788,397</b>    |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | <b>\$ (7,255,066)</b> | <b>\$ 9,549,255</b> | <b>\$ 8,444,847</b> |

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## Statements of Changes in Net Assets

|   | BlackRock<br>Core Bond Trust (BHK)                         |                                  | BlackRock Corporate<br>High Yield Fund V, Inc. (HYV)       |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b>                       |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 10,697,007  | \$ 23,504,592                    | \$ 17,648,171  | \$ 34,998,740                    |
| Net realized gain (loss)  | (7,598,866)  | 22,830,017                       | 4,209,917  | 7,089,947                        |
| Net change in unrealized appreciation/depreciation              | (8,913,233)  | 24,703,783                       | 30,440,557   | 54,072,650                       |
| Net increase (decrease) in net assets resulting from operations | (5,815,092)  | 71,038,392                       | 52,298,645   | 96,161,337                       |

**Dividends to Shareholders From**

|                       |              |              |              |              |
|-----------------------|--------------|--------------|--------------|--------------|
| Net investment income | (12,863,258) | (27,023,027) | (18,207,308) | (33,602,969) |
|-----------------------|--------------|--------------|--------------|--------------|

**Net Assets**

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Total increase (decrease) in net assets | (18,678,350)   | 44,015,365     | 34,091,337     | 62,558,368     |
| Beginning of period                     | 383,539,565    | 339,524,200    | 382,603,247    | 320,044,879    |
| End of period                           | \$ 364,861,215 | \$ 383,539,565 | \$ 416,694,584 | \$ 382,603,247 |
| Undistributed net investment income     | \$ 5,036,646   | \$ 7,202,897   | \$ 4,442,265   | \$ 5,001,402   |

|  | BlackRock Corporate<br>High Yield Fund VI, Inc. (HYT)      |                                  | BlackRock<br>High Income Shares (HIS)                      |                                  |
|--|--|----------------------------------|--|----------------------------------|
|  | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b>          |  |                                  |  |                                  |
| <b>Operations</b>                                  |  |                                  |  |                                  |
| Net investment income                              | \$ 18,200,278  | \$ 36,935,470                    | \$ 5,635,999   | \$ 10,792,615                    |
| Net realized gain (loss)                           | 3,583,491  | 1,901,818                        | 977,715  | (276,674)                        |
| Net change in unrealized appreciation/depreciation | 30,259,647   | 57,412,973                       | 7,865,522  | 17,435,391                       |

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|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Net increase in net assets resulting from operations | 52,043,416 | 96,250,261 | 14,479,236 | 27,951,332 |
|--|------------|------------|------------|------------|

**Dividends to Shareholders From**

|                       |              |              |             |             |
|-----------------------|--------------|--------------|-------------|-------------|
| Net investment income | (17,770,534) | (35,992,789) | (6,753,706) | (9,230,927) |
|-----------------------|--------------|--------------|-------------|-------------|

**Capital Share Transactions**

|                           |  |        |  |  |
|---------------------------|--|--------|--|--|
| Reinvestment of dividends |  | 87,090 |  |  |
|---------------------------|--|--------|--|--|

**Net Assets**

|                                     |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Total increase in net assets        | 34,272,882     | 60,344,562     | 7,725,530      | 18,720,405     |
| Beginning of period                 | 401,759,810    | 341,415,248    | 119,641,691    | 100,921,286    |
| End of period                       | \$ 436,032,692 | \$ 401,759,810 | \$ 127,367,221 | \$ 119,641,691 |
| Undistributed net investment income | \$ 6,081,735   | \$ 5,651,991   | \$ 1,854,358   | \$ 2,972,065   |

See Notes to Financial Statements.

## Statements of Changes in Net Assets (concluded)

|   | BlackRock<br>High Yield Trust (BHY)                        |                                  | BlackRock Corporate<br>Income Opportunity Trust (BNA)      |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b>   |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 1,726,809   | \$ 3,296,839                     | \$ 10,165,680  | \$ 20,499,390                    |
| Net realized gain (loss)  | (1,187,900)  | (1,522,025)                      | (1,721,505)  | 21,968,948                       |
| Net change in unrealized appreciation/depreciation                                | 4,804,628  | 7,423,666                        | (15,699,241)   | 20,927,252                       |
| Net increase (decrease) in net assets resulting from operations                   | 5,343,537  | 9,198,480                        | (7,255,066)  | 63,395,590                       |
| <b>Dividends and Distributions to Shareholders From</b>                           |  |                                  |  |                                  |
| Net investment income   | (1,677,584)  | (3,246,508)                      | (11,743,661)   | (27,117,163)                     |
| Tax return of capital   |  | (108,660)                        |  |                                  |
| Decrease in net assets resulting from dividends and distributions to shareholders | (1,677,584)  | (3,355,168)                      | (11,743,661)   | (27,117,163)                     |
| <b>Net Assets</b>   |  |                                  |  |                                  |
| Total increase (decrease) in net assets   | 3,665,953  | 5,843,312                        | (18,998,727)   | 36,278,427                       |
| Beginning of period   | 42,980,132   | 37,136,820                       | 381,379,476  | 345,101,049                      |
| End of period   | \$ 46,646,085  | \$ 42,980,132                    | \$ 362,380,749   | \$ 381,379,476                   |
| Undistributed (distributions in excess of) net investment income                  | \$ (50,089)  | \$ (99,314)                      | \$ 5,155,609   | \$ 6,733,590                     |

|   | BlackRock<br>Income Trust, Inc. (BKT)                      |                                  | BlackRock<br>Strategic Bond Trust (BHD)                    |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31,<br>2010 |
| <b>Increase (Decrease) in Net Assets:</b> |  |                                  |  |                                  |
| <b>Operations</b>                         |  |                                  |  |                                  |

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|   |                  |                   |                  |                   |
|---|------------------|-------------------|------------------|-------------------|
| Net investment income                                       | \$ 10,550,705    | \$ 12,848,017     | \$ 3,656,450     | \$ 7,157,170      |
| Net realized gain   | 9,299,057        | 28,601,188        | 1,111,791        | 2,597,390         |
| Net change in unrealized appreciation/depreciation          | (10,300,507)     | 17,697,571        | 3,676,606        | 6,849,508         |
| <b>Net increase in net assets resulting from operations</b> | <b>9,549,255</b> | <b>59,146,776</b> | <b>8,444,847</b> | <b>16,604,068</b> |

**Dividends and Distributions to Shareholders From**

|  |                    |                     |                    |                    |
|--|--------------------|---------------------|--------------------|--------------------|
| Net investment income  | (9,687,294)        | (16,372,760)        | (4,266,860)        | (6,391,382)        |
| Net realized gain  |                    | (2,042,690)         |                    |                    |
| <b>Decrease in net assets resulting from dividends and distributions to shareholders</b> | <b>(9,687,294)</b> | <b>(18,415,450)</b> | <b>(4,266,860)</b> | <b>(6,391,382)</b> |

**Net Assets**

|  |                       |                       |                      |                      |
|--|-----------------------|-----------------------|----------------------|----------------------|
| Total increase (decrease) in net assets                          | (138,039)             | 40,731,326            | 4,177,987            | 10,212,686           |
| Beginning of period  | 496,259,853           | 455,528,527           | 95,794,171           | 85,581,485           |
| <b>End of period</b>   | <b>\$ 496,121,814</b> | <b>\$ 496,259,853</b> | <b>\$ 99,972,158</b> | <b>\$ 95,794,171</b> |
| Undistributed (distributions in excess of) net investment income | \$ 779,700            | \$ (83,711)           | \$ 902,480           | \$ 1,512,890         |

See Notes to Financial Statements.

## Statements of Cash Flows

| Six Months Ended<br>February 28, 2011 (Unaudited)   | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) | BlackRock<br>High Income<br>Shares<br>(HIS) | BlackRock<br>High Yield<br>Trust<br>(BHY) |
|---|--|---|--|---|---|
| <b>Cash Provided by (Used for) Operating Activities</b>   |  |   |  |   |   |
| Net increase (decrease) in net assets resulting from operations   | \$ (5,815,092)                           | \$ 52,298,645   | \$ 52,043,416  | \$ 14,479,236                               | \$ 5,343,537                              |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities: |  |   |  |   |   |
| (Increase) decrease in interest receivable  | (322,902)                                | (677,522)   | (639,396)  | 21,024                                      | (193,799)                                 |
| (Increase) decrease in swap receivable  | 271,267                                  | (29,985)  | (32,317)   |   | (2,970)                                   |
| (Increase) decrease in other assets   | (3,303)                                  | 171,979   | 225,916  | 45,426                                      | 22,105                                    |
| Increase in commitment fees receivable  | (3,731)                                  | (27)  | (149)  |   |   |
| (Increase) decrease in dividends receivable   | (21,782)                                 | (89,947)  | (81,983)   | (20,271)                                    |   |
| (Increase) decrease in margin variation receivable  | 182,210                                  |   |  |   |   |
| (Increase) decrease in income receivable affiliated   | (987)                                    | (2,445)   | (2,519)  | 74  | (5,348)                                   |
| (Increase) decrease in cash pledged as collateral for financial futures contracts   | 2,093,000                                | 360,000   | 345,000  | 40,000                                      |   |
| Increase (decrease) in investment advisory fees payable   | (17,896)                                 | 13,812  | 11,593   | (244)                                       | 149                                       |
| Increase (decrease) in interest expense and fees payable  | (28,616)                                 | 176,364   | 59,713   | 34,157                                      | (1,708)                                   |
| Increase in other affiliates payable  | 834                                      | 805   | 832  | 243   |   |
| Increase in other liabilities   | 88,786                                   |   |  |   |   |
| Increase (decrease) in administration fees payable  |  |   |  |   | 13  |
| Increase (decrease) in other accrued expenses payable   | (20,864)                                 | (15,763)  | 105,504  | 3,715                                       | (764)                                     |
| Increase (decrease) in commitment fees payable  | (682)                                    | (2,524)   | (2,737)  | (829)                                       | (333)                                     |
| Increase (decrease) in margin variation payable   | 67,719                                   | 24,070  | 26,920   | 3,750                                       |   |
| Increase (decrease) in swaps payable  | 48,690                                   | 56,325  | 59,474   |   | 6,964                                     |
| Increase in Officer s and Trustees fees payable   | 3,004                                    | 2,468   | 4,218  | 710   | 769                                       |
| Net periodic and termination payments of swaps  | (1,779,994)                              | (143,847)   | (179,904)  |   | (113,908)                                 |
| Net realized and unrealized gain (loss) on investments  | 10,245,013                               | (38,541,407)  | (37,863,737)   | (9,778,723)                                 | (3,239,450)                               |
| Amortization of premium and accretion of discount on investments  | (150,549)                                | (925,336)   | (1,061,662)  | (632,902)                                   | (108,795)                                 |
| Paid-in-kind income   |  | (523,847)   | (420,401)  | (163,073)                                   | (34,186)                                  |
| Premiums received from options written  | 6,892,415                                |   |  |   |   |
| Proceeds from sales of long-term investments  | 3,073,359,711                            | 226,712,351   | 233,123,565  | 69,399,027                                  | 24,342,322                                |
| Purchases of long-term investments  | (3,051,785,379)                          | (262,710,990)   | (266,178,548)  | (70,330,371)                                | (26,331,457)                              |
| Net proceeds from sales (purchases) of short-term securities  | (1,716,421)                              | 1,017,212   | 583,675  | 644,446                                     | (17,676)                                  |
| Premiums paid on closing options written  | (3,867,609)                              |   |  |   |   |
| Cash provided by (used for) operating activities  | 27,716,842                               | (22,829,609)  | (19,873,527)   | 3,745,395                                   | (334,535)                                 |



**Cash Provided by (Used for) Financing Activities**

|   |                     |                   |                   |                    |                |
|---|---------------------|-------------------|-------------------|--------------------|----------------|
| Cash receipts from borrowings                           | 630,548,305         | 148,000,000       | 149,000,000       | 43,000,000         | 11,000,000     |
| Cash payments on borrowings                             | (649,360,851)       | (106,000,000)     | (111,000,000)     | (40,000,000)       | (9,000,000)    |
| Cash dividends paid                                     | (12,862,014)        | (18,207,918)      | (17,762,431)      | (6,751,021)        | (1,677,358)    |
| Increase (decrease) in custodian bank payable           | 3,919,419           |                   | (212,807)         |                    | 9,941          |
| <b>Cash provided by (used for) financing activities</b> | <b>(27,755,141)</b> | <b>23,792,082</b> | <b>20,024,762</b> | <b>(3,751,021)</b> | <b>332,583</b> |

**Cash Impact from Foreign Exchange Fluctuations**

|  |      |        |       |     |  |
|--|------|--------|-------|-----|--|
| Cash impact from foreign exchange fluctuations | (30) | 14,049 | 1,798 | 285 |  |
|--|------|--------|-------|-----|--|

**Cash**

|   |                   |                     |                   |                 |         |
|---|-------------------|---------------------|-------------------|-----------------|---------|
| Net increase (decrease) in cash                   | (38,329)          | 976,522             | 153,033           | (5,341)         | (1,952) |
| Cash and foreign currency at beginning of period  | 197,112           | 45,065              | 48,921            | 11,693          | 1,952   |
| <b>Cash and foreign currency at end of period</b> | <b>\$ 158,783</b> | <b>\$ 1,021,587</b> | <b>\$ 201,954</b> | <b>\$ 6,352</b> |         |

**Cash Flow Information**

|  |            |            |            |            |           |
|--|------------|------------|------------|------------|-----------|
| Cash paid during the period for interest | \$ 229,135 | \$ 484,680 | \$ 569,695 | \$ 121,059 | \$ 58,104 |
|--|------------|------------|------------|------------|-----------|

A Statement of Cash Flows is presented when a Trust had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

| Six Months Ended<br>February 28, 2011 (Unaudited)   | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Strategic<br>Bond Trust<br>(BHD) |
|---|--|---|
| <b>Cash Provided by (Used for) Operating Activities</b>   |  |   |
| Net increase (decrease) in net assets resulting from operations   | \$ (7,255,066)   | \$ 8,444,847                                  |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities: |  |   |
| (Increase) decrease in interest receivable  | (592,620)  | (161,129)                                     |
| (Increase) decrease in swap receivable  | 635,515  | (6,215)                                       |
| (Increase) decrease in other assets   | (4,145)  | (537)   |
| Increase in commitment fees receivable  |  |   |
| (Increase) decrease in dividends receivable   |  |   |
| (Increase) decrease in margin variation receivable  | 305,240  | (975)   |
| (Increase) decrease in income receivable - affiliated   | (260)  | (7)   |
| (Increase) decrease in cash pledged as collateral for financial futures contracts   | (238,000)  | (30,000)                                      |
| Increase (decrease) in investment advisory fees payable   | (26,004)   | 5,639   |
| Increase (decrease) in interest expense and fees payable  | (15,786)   | 52,923  |
| Increase in other affiliates payable  |  | 536   |
| Increase in other liabilities   |  |   |
| Increase (decrease) in administration fees payable  | (4,307)  |   |
| Increase (decrease) in other accrued expenses payable   | 273,043  | (72,535)                                      |
| Increase (decrease) in commitment fees payable  |  |   |
| Increase (decrease) in margin variation payable   | 98,403   | (949)   |
| Increase (decrease) in swaps payable  | (36,490)   | 15,293  |
| Increase in Officers and Trustees fees payable  | 3,893  | 716   |
| Net periodic and termination payments of swaps  | (896,122)  | (342,233)                                     |
| Net realized and unrealized gain (loss) on investments  | 10,245,223   | (5,064,446)                                   |
| Amortization of premium and accretion of discount on investments  | 152,859  | (22,916)                                      |
| Paid-in-kind income   |  | (28,158)                                      |
| Premiums received from options written  | 6,661,399  |   |
| Proceeds from sales of long-term investments  | 2,757,021,559  | 42,950,256                                    |
| Purchases of long-term investments  | (2,737,286,544)  | (58,746,776)                                  |
| Net proceeds from sales (purchases) of short-term securities  | (6,527,500)  | 42,917  |
| Premiums paid on closing options written  | (2,874,712)  |   |
| Cash provided by (used for) operating activities  | 19,639,578   | (12,963,749)                                  |
| <b>Cash Provided by (Used for) Financing Activities</b>   |  |   |
| Cash receipts from borrowings   | 573,476,744  | 40,000,000                                    |
| Cash payments on borrowings   | (572,992,650)  | (23,000,000)                                  |
| Cash dividends paid   | (11,744,934)   | (4,268,150)                                   |
| Increase (decrease) in custodian bank payable   | (772,922)  | 89,772  |
| Cash provided by (used for) financing activities  | (12,033,762)   | 12,821,622                                    |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>   |  |   |
| Cash impact from foreign exchange fluctuations  | 8,245  | 5,419   |

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**Cash**

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|  |              |           |
|--|--------------|-----------|
| Net increase (decrease) in cash                  | 7,614,061    | (136,708) |
| Cash and foreign currency at beginning of period | 72,091       | 199,153   |
| Cash and foreign currency at end of period       | \$ 7,686,152 | \$ 62,445 |

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**Cash Flow Information**

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|  |            |           |
|--|------------|-----------|
| Cash paid during the period for interest | \$ 190,832 | \$ 71,377 |
|--|------------|-----------|

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## Financial Highlights

## BlackRock Core Bond Trust (BHK)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended October 31, |          |          |
|---|--|--------------------------|-------------------|--|------------------------|----------|----------|
|   |  | 2010                     | 2009              |  | 2007                   | 2006     | 2005     |
| <b>Per Share Operating Performance</b>  |  |                          |                   |  |                        |          |          |
| Net asset value, beginning of period  | \$ 14.19   | \$ 12.56                 | \$ 12.81          | \$ 13.63   | \$ 13.82               | \$ 14.27 | \$ 15.22 |
| Net investment income   | 0.40 <sub>1</sub>  | 0.87 <sub>1</sub>        | 0.80 <sub>1</sub> | 0.50 <sub>1</sub>                                      | 0.74                   | 0.66     | 0.78     |
| Net realized and unrealized gain (loss)   | (0.60)   | 1.76                     | (0.28)            | (0.69)   | (0.13)                 | 0.11     | (0.37)   |
| Net increase (decrease) from<br>investment operations                                     | (0.20)   | 2.63                     | 0.52              | (0.19)   | 0.61                   | 0.77     | 0.41     |
| Dividends and distributions from:   |  |                          |                   |  |                        |          |          |
| Net investment income   | (0.48)   | (1.00)                   | (0.77)            | (0.61)   | (0.61)                 | (0.93)   | (1.01)   |
| Net realized gain   |  |                          |                   |  |                        | (0.29)   | (0.35)   |
| Tax return of capital   |  |                          |                   | (0.02)   | (0.19)                 |          |          |
| Total dividends and distributions   | (0.48)   | (1.00)                   | (0.77)            | (0.63)   | (0.80)                 | (1.22)   | (1.36)   |
| Net asset value, end of period  | \$ 13.51   | \$ 14.19                 | \$ 12.56          | \$ 12.81   | \$ 13.63               | \$ 13.82 | \$ 14.27 |
| Market price, end of period   | \$ 12.28   | \$ 13.92                 | \$ 11.98          | \$ 11.51   | \$ 12.23               | \$ 12.86 | \$ 13.69 |
| <b>Total Investment Return<sup>2</sup></b>  |  |                          |                   |  |                        |          |          |
| Based on net asset value  | (1.21)% <sup>3</sup>                                       | 22.44%                   | 5.28%             | (1.00)% <sup>3</sup>                                   | 5.04%                  | 6.20%    | 3.18%    |
| Based on market price   | (8.46)% <sup>3</sup>                                       | 25.93%                   | 11.76%            | (0.87)% <sup>3</sup>                                   | 1.29%                  | 3.07%    | 7.46%    |
| <b>Ratios to Average Net Assets</b>   |  |                          |                   |  |                        |          |          |
| Total expenses  | 1.02% <sup>4</sup>   | 1.18%                    | 1.06%             | 2.29% <sup>4</sup>                                     | 1.60%                  | 1.08%    | 1.50%    |
| Total expenses after fees waived and<br>paid indirectly                                   | 1.02% <sup>4</sup>   | 1.18%                    | 1.06%             | 2.29% <sup>4</sup>                                     | 1.60%                  | 1.08%    | 1.50%    |
| Total expenses after fees waived and<br>paid indirectly and excluding interest<br>expense | 0.91% <sup>4</sup>   | 0.95%                    | 0.83%             | 0.89% <sup>4</sup>                                     | 0.78%                  | 0.77%    | 0.85%    |
| Net investment income   | 5.83% <sup>4</sup>   | 6.62%                    | 7.09%             | 4.55% <sup>4</sup>                                     | 5.36%                  | 4.78%    | 5.20%    |

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**Supplemental Data**

|  |                   |                   |                   |                   |            |            |            |
|--|-------------------|-------------------|-------------------|-------------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 364,861        | \$ 383,540        | \$ 339,524        | \$ 346,177        | \$ 368,335 | \$ 373,518 | \$ 385,514 |
| Borrowings outstanding, end of period (000)            | \$ 150,125        | \$ 168,938        | \$ 74,572         | \$ 107,690        | \$ 103,354 | \$ 3,911   | \$ 86,876  |
| Average borrowings outstanding during the period (000) | \$ 146,121        | \$ 162,760        | \$ 73,467         | \$ 134,784        | \$ 44,786  | \$ 25,340  | \$ 91,130  |
| Portfolio turnover                                     | 617% <sup>5</sup> | 641% <sup>6</sup> | 315% <sup>7</sup> | 598% <sup>8</sup> | 122%       | 88%        | 220%       |
| Asset coverage, end of period per \$1,000              | \$ 3,430          | \$ 3,270          | \$ 5,553          | \$ 4,215          | \$ 4,564   | \$ 96,502  | \$ 5,438   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 428%.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 534%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.

<sup>8</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 337%.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Corporate High Yield Fund V, Inc. (HYV)

|  | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |          |          |          |          |
|--|--|-----------------------|----------|----------|----------|----------|
|  |  | 2010                  | 2009     | 2008     | 2007     | 2006     |
| <b>Per Share Operating Performance</b>   |  |                       |          |          |          |          |
| Net asset value, beginning of period   | \$ 11.61   | \$ 9.71               | \$ 11.94 | \$ 13.83 | \$ 14.10 | \$ 15.19 |
| Net investment income <sup>1</sup>   | 0.54   | 1.06                  | 1.07     | 1.18     | 1.20     | 1.22     |
| Net realized and unrealized gain (loss)  | 1.05   | 1.86                  | (2.10)   | (1.85)   | (0.33)   | (0.50)   |
| Net increase (decrease) from investment operations   | 1.59   | 2.92                  | (1.03)   | (0.67)   | 0.87     | 0.72     |
| Dividends and distributions from:  |  |                       |          |          |          |          |
| Net investment income  | (0.55)   | (1.02)                | (1.20)   | (1.17)   | (1.14)   | (1.25)   |
| Net realized gain  |  |                       |          | (0.05)   |          | (0.56)   |
| Total dividends and distributions  | (0.55)   | (1.02)                | (1.20)   | (1.22)   | (1.14)   | (1.81)   |
| Net asset value, end of period   | \$ 12.65   | \$ 11.61              | \$ 9.71  | \$ 11.94 | \$ 13.83 | \$ 14.10 |
| Market price, end of period  | \$ 11.81   | \$ 11.40              | \$ 9.32  | \$ 10.15 | \$ 12.24 | \$ 12.81 |
| <b>Total Investment Return<sup>2</sup></b>   |  |                       |          |          |          |          |
| Based on net asset value   | 14.21% <sup>3</sup>  | 31.40%                | (3.83)%  | (3.99)%  | 6.76%    | 6.37%    |
| Based on market price  | 8.59% <sup>3</sup>   | 34.42%                | 8.59%    | (7.78)%  | 4.00%    | (2.40)%  |
| <b>Ratios to Average Net Assets</b>  |  |                       |          |          |          |          |
| Total expenses   | 1.33% <sup>4</sup>   | 1.26%                 | 1.84%    | 2.11%    | 3.20%    | 2.87%    |
| Total expenses after fees waived and paid indirectly   | 1.33% <sup>4</sup>   | 1.26%                 | 1.84%    | 2.11%    | 3.20%    | 2.87%    |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees | 1.00% <sup>4</sup>   | 0.99%                 | 1.16%    | 0.97%    | 0.99%    | 0.98%    |
| Net investment income  | 8.85% <sup>4</sup>   | 9.52%                 | 13.00%   | 9.16%    | 8.23%    | 8.49%    |

## Supplemental Data

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|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 416,695 | \$ 382,603 | \$ 320,045 | \$ 393,389 | \$ 455,710 | \$ 464,453 |
| Borrowings outstanding, end of period (000)            | \$ 134,000 | \$ 92,000  | \$ 54,000  | \$ 94,700  | \$ 127,700 | \$ 200,100 |
| Average borrowings outstanding during the period (000) | \$ 106,315 | \$ 79,427  | \$ 65,403  | \$ 106,140 | \$ 188,373 | \$ 183,484 |
| Portfolio turnover                                     | 46%        | 90%        | 65%        | 46%        | 51%        | 64%        |
| Asset coverage, end of period per \$1,000              | \$ 4,110   | \$ 5,159   | \$ 6,927   | \$ 5,154   | \$ 4,569   | \$ 3,321   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Corporate High Yield Fund VI, Inc. (HYT)

|  | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended August 31, |          |          |          |          |
|--|--|-----------------------|----------|----------|----------|----------|
|  |  | 2010                  | 2009     | 2008     | 2007     | 2006     |
| <b>Per Share Operating Performance</b>   |  |                       |          |          |          |          |
| Net asset value, beginning of period   | \$ 11.38   | \$ 9.68               | \$ 11.89 | \$ 13.81 | \$ 14.12 | \$ 15.08 |
| Net investment income <sup>1</sup>   | 0.52   | 1.05                  | 1.05     | 1.16     | 1.18     | 1.16     |
| Net realized and unrealized gain (loss)  | 0.95   | 1.67                  | (2.07)   | (1.87)   | (0.39)   | (0.49)   |
| Net increase (decrease) from investment operations   | 1.47   | 2.72                  | (1.02)   | (0.71)   | 0.79     | 0.67     |
| Dividends and distributions from:  |  |                       |          |          |          |          |
| Net investment income  | (0.50)   | (1.02)                | (1.19)   | (1.21)   | (1.10)   | (1.17)   |
| Net realized gain  |  |                       |          |          |          | (0.46)   |
| Total dividends and distributions  | (0.50)   | (1.02)                | (1.19)   | (1.21)   | (1.10)   | (1.63)   |
| Net asset value, end of period   | \$ 12.35   | \$ 11.38              | \$ 9.68  | \$ 11.89 | \$ 13.81 | \$ 14.12 |
| Market price, end of period  | \$ 11.79   | \$ 11.19              | \$ 9.47  | \$ 10.14 | \$ 12.15 | \$ 12.48 |
| <b>Total Investment Return<sup>2</sup></b>   |  |                       |          |          |          |          |
| Based on net asset value   | 13.31% <sup>3</sup>  | 29.26%                | (4.03)%  | (4.30)%  | 6.29%    | 6.29%    |
| Based on market price  | 10.01% <sup>3</sup>  | 29.92%                | 10.09%   | (7.24)%  | 5.80%    | (1.07)%  |
| <b>Ratios to Average Net Assets</b>  |  |                       |          |          |          |          |
| Total expenses   | 1.41% <sup>4</sup>   | 1.34%                 | 2.01%    | 2.24%    | 3.35%    | 2.89%    |
| Total expenses after fees waived and paid indirectly   | 1.41% <sup>4</sup>   | 1.34%                 | 2.01%    | 2.24%    | 3.35%    | 2.89%    |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees | 1.11% <sup>4</sup>   | 1.09%                 | 1.28%    | 1.10%    | 1.12%    | 1.11%    |
| Net investment income  | 8.72% <sup>4</sup>   | 9.52%                 | 12.82%   | 9.02%    | 8.03%    | 8.11%    |

## Supplemental Data



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|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 436,033 | \$ 401,760 | \$ 341,415 | \$ 419,502 | \$ 487,251 | \$ 498,096 |
| Borrowings outstanding, end of period (000)            | \$ 127,000 | \$ 89,000  | \$ 58,000  | \$ 110,900 | \$ 135,900 | \$ 216,200 |
| Average borrowings outstanding during the period (000) | \$ 101,188 | \$ 76,356  | \$ 73,784  | \$ 113,996 | \$ 202,705 | \$ 184,070 |
| Portfolio turnover                                     | 46%        | 85%        | 60%        | 45%        | 51%        | 62%        |
| Asset coverage, end of period per \$1,000              | \$ 4,433   | \$ 5,514   | \$ 6,886   | \$ 4,783   | \$ 4,585   | \$ 3,304   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock High Income Shares (HIS)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>January 1,<br>2007 to<br>August 31,<br>2008 | Year Ended December 31, |         |          |
|---|--|--------------------------|-------------------|---|-------------------------|---------|----------|
|   |  | 2010                     | 2009              |   | 2007                    | 2006    | 2005     |
| <b>Per Share Operating Performance</b>  |  |                          |                   |   |                         |         |          |
| Net asset value, beginning of period  | \$ 2.19  | \$ 1.85                  | \$ 2.23           | \$ 2.47   | \$ 2.68                 | \$ 2.61 | \$ 2.87  |
| Net investment income   | 0.10 <sub>1</sub>  | 0.20 <sub>1</sub>        | 0.19 <sub>1</sub> | 0.15 <sub>1</sub>                                     | 0.24                    | 0.22    | 0.24     |
| Net realized and unrealized gain (loss)   | 0.15   | 0.31                     | (0.36)            | (0.26)  | (0.21)                  | 0.08    | (0.23)   |
| Net increase (decrease) from<br>investment operations                                     | 0.25   | 0.51                     | (0.17)            | (0.11)  | 0.03                    | 0.30    | 0.01     |
| Dividends from net investment<br>income   | (0.11)   | (0.17)                   | (0.21)            | (0.13)  | (0.24)                  | (0.23)  | (0.27)   |
| Net asset value, end of period  | \$ 2.33  | \$ 2.19                  | \$ 1.85           | \$ 2.23   | \$ 2.47                 | \$ 2.68 | \$ 2.61  |
| Market price, end of period   | \$ 2.16  | \$ 2.09                  | \$ 1.68           | \$ 1.88   | \$ 2.14                 | \$ 2.55 | \$ 2.33  |
| <b>Total Investment Return<sup>2</sup></b>  |  |                          |                   |   |                         |         |          |
| Based on net asset value  | 12.65% <sup>3</sup>  | 28.95%                   | (3.01)%           | (4.00)% <sup>3</sup>                                  | 1.58%                   | 12.32%  | 0.43%    |
| Based on market price   | 9.43% <sup>3</sup>   | 35.52%                   | 4.47%             | (6.59)% <sup>3</sup>                                  | (7.51)%                 | 19.70%  | (11.28)% |
| <b>Ratios to Average Net Assets</b>   |  |                          |                   |   |                         |         |          |
| Total expenses  | 1.51% <sup>4</sup>   | 1.49%                    | 2.01%             | 1.98% <sup>4</sup>                                    | 3.56%                   | 3.78%   | 3.04%    |
| Total expenses after fees waived and<br>paid indirectly                                   | 1.50% <sup>4</sup>   | 1.49%                    | 2.01%             | 1.98% <sup>4</sup>                                    | 3.55%                   | 3.77%   | 3.04%    |
| Total expenses after fees waived and<br>paid indirectly and excluding interest<br>expense | 1.25% <sup>4</sup>   | 1.27%                    | 1.41%             | 1.05% <sup>4</sup>                                    | 1.27%                   | 1.34%   | 1.37%    |
| Net investment income   | 9.13% <sup>4</sup>   | 9.34%                    | 12.06%            | 9.52% <sup>4</sup>                                    | 8.89%                   | 8.42%   | 8.82%    |

**Supplemental Data**

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|  |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 127,367 | \$ 119,642 | \$ 100,921 | \$ 121,808 | \$ 135,098 | \$ 146,538 | \$ 142,457 |
| Borrowings outstanding, end of period (000)            | \$ 28,000  | \$ 25,000  | \$ 18,000  | \$ 27,000  | \$ 46,000  | \$ 62,000  | \$ 66,000  |
| Average borrowings outstanding during the period (000) | \$ 24,956  | \$ 21,027  | \$ 21,220  | \$ 27,069  | \$ 55,868  | \$ 62,838  | \$ 65,992  |
| Portfolio turnover                                     | 50%        | 85%        | 55%        | 25%        | 69%        | 83%        | 115%       |
| Asset coverage, end of period per \$1,000              | \$ 5,549   | \$ 5,786   | \$ 6,607   | \$ 5,512   | \$ 3,937   | \$ 3,364   | \$ 3,158   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

The performance set forth in this table is the financial data of BlackRock High Income Shares. BlackRock Advisors, LLC began managing the Trust on March 2, 2005.

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## Financial Highlights

## BlackRock High Yield Trust (BHY)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended October 31, |         |          |
|---|--|--------------------------|-------------------|--|------------------------|---------|----------|
|   |  | 2010                     | 2009              |  | 2007                   | 2006    | 2005     |
| <b>Per Share Operating Performance</b>                          |  |                          |                   |  |                        |         |          |
| Net asset value, beginning of period                            | \$ 6.69  | \$ 5.78                  | \$ 6.84           | \$ 7.91  | \$ 7.85                | \$ 7.48 | \$ 7.95  |
| Net investment income   | 0.27 <sub>1</sub>  | 0.51 <sub>1</sub>        | 0.51 <sub>1</sub> | 0.50 <sub>1</sub>                                      | 0.63                   | 0.66    | 0.68     |
| Net realized and unrealized gain (loss)                         | 0.56   | 0.92                     | (1.00)            | (1.06)   | 0.04                   | 0.36    | (0.36)   |
| Net increase (decrease) from investment operations              | 0.83   | 1.43                     | (0.49)            | (0.56)   | 0.67                   | 1.02    | 0.32     |
| Dividends and distributions from:                               |  |                          |                   |  |                        |         |          |
| Net investment income   | (0.26)   | (0.50)                   | (0.55)            | (0.51)   | (0.61)                 | (0.65)  | (0.79)   |
| Tax return of capital   |  | (0.02)                   | (0.02)            |  |                        |         |          |
| Total dividends and distributions                               | (0.26)   | (0.52)                   | (0.57)            | (0.51)   | (0.61)                 | (0.65)  | (0.79)   |
| Net asset value, end of period                                  | \$ 7.26  | \$ 6.69                  | \$ 5.78           | \$ 6.84  | \$ 7.91                | \$ 7.85 | \$ 7.48  |
| Market price, end of period                                     | \$ 6.75  | \$ 6.44                  | \$ 5.84           | \$ 5.96  | \$ 6.92                | \$ 7.77 | \$ 7.36  |
| <b>Total Investment Return<sup>2</sup></b>                      |  |                          |                   |  |                        |         |          |
| Based on net asset value  | 12.85% <sup>3</sup>  | 25.70%                   | (5.30)%           | (6.47)% <sup>3</sup>                                   | 9.03%                  | 14.25%  | 2.85%    |
| Based on market price   | 9.00% <sup>3</sup>   | 19.76%                   | 9.81%             | (6.85)% <sup>3</sup>                                   | (3.63)%                | 14.93%  | (13.49)% |
| <b>Ratios to Average Net Assets</b>                             |  |                          |                   |  |                        |         |          |
| Total expenses  | 2.17% <sup>4</sup>   | 2.10%                    | 2.61%             | 2.61% <sup>4</sup>                                     | 4.16%                  | 4.50%   | 3.52%    |
| Total expenses after fees waived and paid indirectly            | 2.17% <sup>4</sup>   | 2.10%                    | 2.61%             | 2.61% <sup>4</sup>                                     | 4.14%                  | 4.49%   | 3.51%    |
| Total expenses after fees waived and excluding interest expense | 1.92% <sup>4</sup>   | 1.91%                    | 2.16%             | 1.77% <sup>4</sup>                                     | 2.10%                  | 2.19%   | 2.10%    |
| Net investment income   | 7.72% <sup>4</sup>   | 7.89%                    | 10.22%            | 8.34% <sup>4</sup>                                     | 7.84%                  | 8.74%   | 8.71%    |

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**Supplemental Data**

|  |    |        |    |        |    |        |    |        |    |        |    |        |    |        |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|----|--------|
| Net assets, end of period (000)                        | \$ | 46,646 | \$ | 42,980 | \$ | 37,137 | \$ | 43,897 | \$ | 50,782 | \$ | 50,385 | \$ | 47,924 |
| Borrowings outstanding, end of period (000)            | \$ | 10,000 | \$ | 8,000  | \$ | 4,000  | \$ | 6,250  | \$ | 9,250  | \$ | 20,250 | \$ | 20,750 |
| Average borrowings outstanding during the period (000) | \$ | 9,066  | \$ | 6,427  | \$ | 5,223  | \$ | 7,443  | \$ | 17,710 | \$ | 20,621 | \$ | 20,425 |
| Portfolio turnover                                     |    | 49%    |    | 80%    |    | 54%    |    | 34%    |    | 69%    |    | 85%    |    | 102%   |
| Asset coverage, end of period per \$1,000              | \$ | 5,665  | \$ | 6,373  | \$ | 10,284 | \$ | 8,023  | \$ | 6,490  | \$ | 3,488  | \$ | 3,310  |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Income Opportunity Trust, Inc. (BNA)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended October 31, |          |          |
|---|--|--------------------------|-------------------|--|------------------------|----------|----------|
|   |  | 2010                     | 2009              |  | 2007                   | 2006     | 2005     |
| <b>Per Share Operating Performance</b>  |  |                          |                   |  |                        |          |          |
| Net asset value, beginning of period  | \$ 11.07   | \$ 10.02                 | \$ 10.35          | \$ 11.02   | \$ 11.17               | \$ 11.56 | \$ 12.38 |
| Net investment income   | 0.30 <sub>1</sub>  | 0.59 <sub>1</sub>        | 0.59 <sub>1</sub> | 0.53 <sub>1</sub>                                      | 0.62                   | 0.57     | 0.72     |
| Net realized and unrealized gain (loss)   | (0.51)   | 1.25                     | (0.31)            | (0.69)   | (0.11)                 | 0.01     | (0.45)   |
| Net increase (decrease) from<br>investment operations                                     | (0.21)   | 1.84                     | 0.28              | (0.16)   | 0.51                   | 0.58     | 0.27     |
| Dividends and distributions from:   |  |                          |                   |  |                        |          |          |
| Net investment income   | (0.34)   | (0.79)                   | (0.61)            | (0.51)   | (0.61)                 | (0.65)   | (0.81)   |
| Net realized gain   |  |                          |                   |  |                        | (0.26)   | (0.28)   |
| Tax return of capital   |  |                          |                   |  | (0.05)                 | (0.06)   |          |
| Total dividends and distributions   | (0.34)   | (0.79)                   | (0.61)            | (0.51)   | (0.66)                 | (0.97)   | (1.09)   |
| Net asset value, end of period  | \$ 10.52   | \$ 11.07                 | \$ 10.02          | \$ 10.35   | \$ 11.02               | \$ 11.17 | \$ 11.56 |
| Market price, end of period   | \$ 9.52  | \$ 10.56                 | \$ 9.65           | \$ 9.82  | \$ 10.19               | \$ 10.58 | \$ 10.90 |
| <b>Total Investment Return<sup>2</sup></b>  |  |                          |                   |  |                        |          |          |
| Based on net asset value  | (1.64)% <sup>3</sup>                                       | 19.83%                   | 3.90%             | (1.07)% <sup>3</sup>                                   | 5.11%                  | 5.76%    | 2.95%    |
| Based on market price   | (6.69)% <sup>3</sup>                                       | 18.69%                   | 5.46%             | 1.51)% <sup>3</sup>                                    | 2.62%                  | 6.27%    | 5.53%    |
| <b>Ratios to Average Net Assets</b>   |  |                          |                   |  |                        |          |          |
| Total expenses  | 0.94% <sup>4</sup>   | 1.09%                    | 0.95%             | 2.25% <sup>4</sup>                                     | 2.01%                  | 1.61%    | 1.72%    |
| Total expenses after fees waived and<br>paid indirectly                                   | 0.94% <sup>4</sup>   | 1.09%                    | 0.95%             | 2.25% <sup>4</sup>                                     | 2.00%                  | 1.61%    | 1.72%    |
| Total expenses after fees waived and<br>paid indirectly and excluding interest<br>expense | 0.84% <sup>4</sup>   | 0.86%                    | 0.85%             | 0.83% <sup>4</sup>                                     | 0.87%                  | 0.89%    | 0.87%    |
| Net investment income   | 5.58% <sup>4</sup>   | 5.81%                    | 6.45%             | 5.89% <sup>4</sup>                                     | 5.68%                  | 5.11%    | 5.97%    |

**Supplemental Data**

|  |                   |                   |                   |                   |            |            |            |
|--|-------------------|-------------------|-------------------|-------------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 362,381        | \$ 381,379        | \$ 345,101        | \$ 356,456        | \$ 379,605 | \$ 384,850 | \$ 398,078 |
| Borrowings outstanding, end of period (000)            | \$ 158,260        | \$ 157,776        | \$ 77,474         | \$ 100,740        | \$ 105,262 | \$ 34,326  | \$ 120,179 |
| Average borrowings outstanding during the period (000) | \$ 140,370        | \$ 151,700        | \$ 49,573         | \$ 131,462        | \$ 68,241  | \$ 59,691  | \$ 122,457 |
| Portfolio turnover                                     | 579% <sup>5</sup> | 720% <sup>6</sup> | 270% <sup>7</sup> | 441% <sup>8</sup> | 196%       | 131%       | 396%       |
| Asset coverage, end of period per \$1,000              | \$ 3,290          | \$ 3,417          | \$ 5,454          | \$ 4,538          | \$ 4,606   | \$ 12,212  | \$ 4,312   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 390%.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 608%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 165%.

<sup>8</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover rate would have been 168%.

See Notes to Financial Statements.

## Financial Highlights

BlackRock Income Trust, Inc. (BKT)

|   | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended October 31, |         |          |
|---|--|--------------------------|-------------------|--|------------------------|---------|----------|
|   |  | 2010                     | 2009              |  | 2007                   | 2006    | 2005     |
| <b>Per Share Operating Performance</b>  |  |                          |                   |  |                        |         |          |
| Net asset value, beginning of period  | \$ 7.76  | \$ 7.12                  | \$ 6.94           | \$ 6.53  | \$ 6.48                | \$ 6.54 | \$ 6.95  |
| Net investment income   | 0.17 <sub>1</sub>  | 0.20 <sub>1</sub>        | 0.28 <sub>1</sub> | 0.26 <sub>1</sub>                                      | 0.30                   | 0.32    | 0.44     |
| Net realized and unrealized gain (loss)   | (0.02)   | 0.73                     | 0.19              | 0.40   | 0.12                   | 0.05    | (0.30)   |
| Net increase from investment operations   | 0.15   | 0.93                     | 0.47              | 0.66   | 0.42                   | 0.37    | 0.14     |
| Dividends and distributions from:   |  |                          |                   |  |                        |         |          |
| Net investment income   | (0.15)   | (0.26)                   | (0.29)            | (0.25)   | (0.29)                 | (0.34)  | (0.48)   |
| Net realized gain   |  | (0.03)                   |                   |  |                        |         |          |
| Tax return of capital   |  |                          |                   |  | (0.08)                 | (0.09)  | (0.07)   |
| Total dividends and distributions   | (0.15)   | (0.29)                   | (0.29)            | (0.25)   | (0.37)                 | (0.43)  | (0.55)   |
| Net asset value, end of period  | \$ 7.76  | \$ 7.76                  | \$ 7.12           | \$ 6.94  | \$ 6.53                | \$ 6.48 | \$ 6.54  |
| Market price, end of period   | \$ 6.80  | \$ 6.95                  | \$ 6.53           | \$ 6.07  | \$ 5.81                | \$ 6.07 | \$ 5.90  |
| <b>Total Investment Return<sup>2</sup></b>  |  |                          |                   |  |                        |         |          |
| Based on net asset value  | 2.22% <sup>3</sup>   | 13.86%                   | 7.64%             | 10.82% <sup>3</sup>                                    | 7.06%                  | 6.06%   | 2.12%    |
| Based on market price   | 0.01% <sup>3</sup>   | 11.19%                   | 12.87%            | 8.94% <sup>3</sup>                                     | 1.69%                  | 10.18%  | (14.63)% |
| <b>Ratios to Average Net Assets</b>   |  |                          |                   |  |                        |         |          |
| Total expenses  | 1.08% <sup>4</sup>   | 1.05%                    | 1.09%             | 1.63% <sup>4</sup>                                     | 2.77%                  | 2.85%   | 2.80%    |
| Total expenses after fees waived and before fees paid indirectly                    | 1.08% <sup>4</sup>   | 1.02%                    | 1.08%             | 1.63% <sup>4</sup>                                     | 2.77%                  | 2.85%   | 2.80%    |
| Total expenses after fees waived and paid indirectly                                | 1.08% <sup>4</sup>   | 1.02%                    | 1.08%             | 1.63% <sup>4</sup>                                     | 2.76%                  | 2.84%   | 2.79%    |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.93% <sup>4</sup>   | 0.92%                    | 0.93%             | 0.91% <sup>4</sup>                                     | 0.98%                  | 1.00%   | 0.99%    |



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|                       |                    |                    |                    |                    |                    |                    |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net investment income | 4.30% <sup>4</sup> | 2.72% <sup>5</sup> | 4.09% <sup>6</sup> | 4.67% <sup>4</sup> | 4.60% <sup>5</sup> | 4.92% <sup>6</sup> | 6.54% <sup>7</sup> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

**Supplemental Data**

|  |                   |                   |                   |                   |            |            |            |
|--|-------------------|-------------------|-------------------|-------------------|------------|------------|------------|
| Net assets, end of period (000)                        | \$ 496,122        | \$ 496,260        | \$ 455,529        | \$ 444,054        | \$ 417,651 | \$ 414,460 | \$ 418,390 |
| Borrowings outstanding, end of period (000)            | \$ 93,056         | \$ 106,985        | \$ 11,815         |                   | \$ 33,895  | \$ 70,691  | \$ 149,558 |
| Average borrowings outstanding during the period (000) | \$ 85,216         | \$ 23,316         | \$ 537            | \$ 61,777         | \$ 93,325  | \$ 104,393 | \$ 180,553 |
| Portfolio turnover                                     | 601% <sup>5</sup> | 883% <sup>6</sup> | 700% <sup>7</sup> | 263% <sup>8</sup> | 250%       | 80%        | 60%        |
| Asset coverage, end of period per \$1,000              | \$ 6,331          | \$ 5,639          | \$ 39,555         |                   | \$ 13,322  | \$ 6,863   | \$ 3,798   |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

<sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 287%.

<sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 207%.

<sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 184%.

<sup>8</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover rate would have been 0%.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Strategic Bond Trust (BHD)

|  | Six Months<br>Ended<br>February 28,<br>2011<br>(Unaudited) | Year Ended<br>August 31, |                   | Period<br>November 1,<br>2007 to<br>August 31,<br>2008 | Year Ended October 31, |          |          |
|--|--|--------------------------|-------------------|--|------------------------|----------|----------|
|  |  | 2010                     | 2009              |  | 2007                   | 2006     | 2005     |
| <b>Per Share Operating Performance</b>   |  |                          |                   |  |                        |          |          |
| Net asset value, beginning of period   | \$ 13.57   | \$ 12.12                 | \$ 12.76          | \$ 13.80   | \$ 13.83               | \$ 13.68 | \$ 15.10 |
| Net investment income  | 0.52 <sub>1</sub>  | 1.01 <sub>1</sub>        | 0.93 <sub>1</sub> | 0.76 <sub>1</sub>                                      | 0.95                   | 0.99     | 1.10     |
| Net realized and unrealized gain (loss)  | 0.67   | 1.35                     | (0.69)            | (1.03)   | (0.06)                 | 0.18     | (1.13)   |
| Net increase (decrease) from investment operations   | 1.19   | 2.36                     | 0.24              | (0.27)   | 0.89                   | 1.17     | (0.03)   |
| Dividends and distributions from:  |  |                          |                   |  |                        |          |          |
| Net investment income  | (0.60)   | (0.91)                   | (0.88)            | (0.77)   | (0.92)                 | (0.98)   | (1.12)   |
| Tax return of capital  |  |                          |                   |  |                        | (0.04)   | (0.27)   |
| Total dividends and distributions  | (0.60)   | (0.91)                   | (0.88)            | (0.77)   | (0.92)                 | (1.02)   | (1.39)   |
| Net asset value, end of period   | \$ 14.16   | \$ 13.57                 | \$ 12.12          | \$ 12.76   | \$ 13.80               | \$ 13.83 | \$ 13.68 |
| Market price, end of period  | \$ 13.02   | \$ 13.17                 | \$ 11.43          | \$ 10.85   | \$ 11.88               | \$ 12.85 | \$ 12.45 |
| <b>Total Investment Return<sup>2</sup></b>   |  |                          |                   |  |                        |          |          |
| Based on net asset value   | 9.30% <sup>3</sup>   | 20.38%                   | 3.99%             | (1.19)% <sup>3</sup>                                   | 7.26%                  | 9.58%    | (0.49)%  |
| Based on market price  | 3.55% <sup>3</sup>   | 23.88%                   | 15.34%            | (2.40)% <sup>3</sup>                                   | (0.62)%                | 11.87%   | (18.11)% |
| <b>Ratios to Average Net Assets</b>  |  |                          |                   |  |                        |          |          |
| Total expenses   | 1.42% <sup>4</sup>   | 1.13%                    | 1.00%             | 0.93% <sup>4</sup>                                     | 1.45%                  | 2.25%    | 2.14%    |
| Total expenses after fees waived and before fees paid indirectly                             | 1.42% <sup>4</sup>   | 1.11%                    | 0.92%             | 0.82% <sup>4</sup>                                     | 1.27%                  | 2.25%    | 2.14%    |
| Total expenses after fees waived and paid indirectly   | 1.42% <sup>4</sup>   | 1.11%                    | 0.92%             | 0.82% <sup>4</sup>                                     | 1.27%                  | 2.00%    | 1.87%    |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees | 1.16% <sup>4</sup>   | 1.04%                    | 0.92%             | 0.81% <sup>4</sup>                                     | 0.87%                  | 0.94%    | 0.92%    |

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|                       |                    |       |       |                    |       |       |       |
|-----------------------|--------------------|-------|-------|--------------------|-------|-------|-------|
| Net investment income | 7.51% <sup>4</sup> | 7.77% | 8.67% | 6.85% <sup>4</sup> | 6.86% | 7.26% | 7.58% |
|-----------------------|--------------------|-------|-------|--------------------|-------|-------|-------|

**Supplemental Data**

|  |           |           |           |           |            |           |           |
|--|-----------|-----------|-----------|-----------|------------|-----------|-----------|
| Net assets, end of period (000)                        | \$ 99,972 | \$ 95,794 | \$ 85,581 | \$ 90,092 | \$ 97,410  | \$ 97,614 | \$ 96,546 |
| Borrowings outstanding, end of period (000)            | \$ 29,000 | \$ 12,000 |           | \$ 1,571  | \$ 413     | \$ 14,951 | \$ 31,883 |
| Average borrowings outstanding during the period (000) | \$ 19,978 | \$ 5,701  | \$ 303    | \$ 391    | \$ 7,240   | \$ 21,104 | \$ 30,406 |
| Portfolio turnover                                     | 38%       | 83%       | 61%       | 27%       | 34%        | 56%       | 51%       |
| Asset coverage, end of period per \$1,000              | \$ 4,447  | \$ 8,983  |           | \$ 58,347 | \$ 236,789 | \$ 7,529  | \$ 4,028  |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Annualized.

See Notes to Financial Statements.

## Notes to Financial Statements(Unaudited)

**1. Organization and Significant Accounting Policies:**

BlackRock Core Bond Trust ( BHK ), BlackRock Corporate High Yield Fund V, Inc. ( HYV ), BlackRock Corporate High Yield Fund VI, Inc. ( HYT ), BlackRock High Income Shares ( HIS ), BlackRock High Yield Trust ( BHY ), BlackRock Income Opportunity Trust, Inc. ( BNA ), BlackRock Income Trust, Inc. ( BKT ) and BlackRock Strategic Bond Trust ( BHD ) (collectively the Trusts or individually as a Trust ) are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as diversified, closed-end management investment companies. HYV, HYT, BNA and BKT are organized as Maryland corporations. BHK, BHY and BHD are organized as Delaware statutory trusts. HIS is organized as a Massachusetts business trust. The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Each Trust's Board of Directors/Trustees are collectively referred to throughout this report as the Board of Trustees or the Board. The Trusts determine and make available for publication the net asset values of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The Trusts value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. TBA commitments are valued on the basis of last available bid prices or current market quotations provided by pricing services. Swap agreements are valued utilizing quotes received daily by the Trusts' pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows and trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular

investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ( NASDAQ ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the NYSE. Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter ( OTC ) options and swaptions are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

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In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of each Trust's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the investment advisor using a pricing service and/or policies approved by the Board.

## Notes to Financial Statements (continued)

**Foreign Currency Transactions:** The Trusts' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the date the transactions are entered into. Generally, when the US dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because its currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

**Asset-Backed and Mortgage-Backed Securities:** Certain Trusts may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If the Trust has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

Certain Trusts may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed Mortgage Pass-Through Certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States and are supported by the right of the issuer to borrow from the Treasury.

**Multiple Class Pass-Through Securities:** Certain Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations ( CMOs ) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, US government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets ), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include IOs, principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying mortgage assets experience greater than anticipated pre-payments of principal, the Trust may not fully recoup its initial investment in IOs.

**Zero-Coupon Bonds:** The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts:** Certain Trusts may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities.

**Preferred Stock:** Certain Trusts may invest in preferred stocks. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the

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market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

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## Notes to Financial Statements (continued)

**Floating Rate Loan Interests:** Certain Trusts may invest in floating rate loan interests. The floating rate loan interests the Trusts hold are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Trusts may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as LIBOR (London Inter Bank Offered Rate), the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Trusts consider these investments to be investments in debt securities for purposes of their investment policies.

When a Trust buys a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Trusts may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. The Trusts earn and/or pay facility and other fees on floating rate loan interests, which are shown as facility and other fees in the Statements of Operations. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Trusts upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Trusts may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Trusts may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Trusts having a contractual relationship only with the lender, not with the borrower. The Trusts will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Trusts generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Trusts may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Trusts will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trusts' investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trusts may be treated as general creditors of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Trusts having a direct contractual relationship with the borrower, and the Trusts may enforce compliance by the borrower with the terms of the loan agreement.

**Borrowed Bond Agreements:** Certain Trusts may enter into borrowed bond agreements. In a borrowed bond agreement, each Trust borrows a bond from a counterparty in exchange for cash collateral with the commitment that the security and the cash will be returned to the counterparty and the Trusts, respectively, at a mutually agreed upon rate and date. Certain agreements have no stated maturity and can be terminated by either party at any time. Borrowed bond agreements are entered into primarily in connection with short sales of bonds. Earnings on cash collateral and compensation to the lender of the bond are based on agreed upon rates between the Trusts and the counterparty. The value of the underlying cash collateral approximates the market value and accrued interest of the borrowed bond. To the extent that a borrowed bond transaction exceeds one business day, the value of the cash collateral in the possession of the counterparty is monitored on a daily basis to ensure the adequacy of the collateral. As the market value of the borrowed bond changes, the cash collateral is periodically increased or decreased with a frequency and in amounts prescribed in the borrowed bond agreement. Full realization of the collateral by the Trusts may be limited if the value of an investment purchased with the cash collateral by the lender decreases. The Trusts may also experience delays in gaining access to the collateral.

**TBA Commitments:** Certain Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date; however, delivered securities must meet specified terms, including issuer, rate and mortgage terms. The Trusts generally enter into TBA commitments with the intent to take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

**Mortgage Dollar Roll Transactions:** Certain Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trusts will not be entitled to receive interest and principal payments on the securities sold. The Trusts account for dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions may increase the Trusts' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trusts are required to purchase may decline below the agreed upon repurchase price of those securities.



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**Treasury Roll Transactions:** Certain Trusts may enter into treasury roll transactions. In a treasury roll transaction the Trusts sell a Treasury security to a counterparty with a simultaneous agreement to repurchase the same security at an agreed upon price and future settlement date. The Trusts received cash from the sale of the Treasury security to use for other investment purposes. For US GAAP purposes, a treasury roll transaction is accounted for as a secured borrowing and not as a purchase or sale. The difference between the sale price and repurchase price represents net interest income or net interest expense reflective of an agreed upon rate between the Trusts and the counterparty over the term of the borrowing. The Trusts will benefit from the transaction if the income earned on the investment purchased with the cash

## Notes to Financial Statements (continued)

received in the treasury roll transaction exceeds the interest expense incurred by the Trusts. If the interest expense exceeds the income earned, the Trusts' net investment income and dividends to shareholders may be adversely impacted. Treasury roll transactions involve the risk that the market value of the securities that the Trusts are required to repurchase may decline below the agreed upon repurchase price of those securities.

**Reverse Repurchase Agreements:** Certain Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Trusts sell securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Trusts may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Trusts are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the securities.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., dollar rolls, TBA sale commitments, financial futures contracts, foreign currency exchange contracts, swaps, short sales, structured options and options written), or certain borrowings (e.g., reverse repurchase agreements, treasury roll transactions, TALF loan and loan payable), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trust is informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis. Income and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets. Consent fees are compensation for agreeing to changes in the terms of debt instruments and are included in interest income in the Statements of Operations.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

**Income Taxes:** It is each Trust's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on BHY, BNA, BKT and BHD's US federal tax returns remains open for the year ended October 31, 2007, the period ended August 31, 2008 and for each of the two years ended August 31, 2010. The statute of limitations on BHK and HIS's US federal tax returns remains open for the year ended December 31, 2007, the period ended August 31, 2008 and for each of the two years ended August 31, 2010. The statute of limitations on HYV and HYT's tax returns remains open for each of the four years ended August 31, 2010. The statutes of limitations on the Trusts' state and local tax returns may remain open for an additional year depending upon the jurisdiction. There are no uncertain tax positions that require recognition of a tax liability.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Trust's Board, non-interested Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

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The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Each Trust may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations. Investments to cover each Trust's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in dividend affiliated in the Statements of Operations.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. The Trusts have an arrangement with the custodian whereby fees may be reduced by

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## Notes to Financial Statements (continued)

credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

### 2. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk or other risk (inflation risk). These contracts may be transacted on an exchange or OTC.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Trusts' maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Trusts bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Trusts do not give rise to counterparty credit risk, as options written obligate the Trusts to perform and not the counterparty. Counterparty risk related to exchange-traded financial futures contracts and options is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Trusts may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement implemented between a Trust and each of its respective counterparties. The ISDA Master Agreement allows each Trust to offset with each separate counterparty certain derivative financial instrument's payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Trusts from their counterparties are not fully collateralized contractually or otherwise, the Trusts bear the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices. In addition, the Trusts manage counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event a Trusts' net assets decline by a stated percentage or the Trusts fails to meet the terms of its ISDA Master Agreements, which would cause the Trusts to accelerate payment of any net liability owed to the counterparty.

**Financial Futures Contracts:** The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk) or changes in the value of equity securities (equity risk). Financial futures contracts are agreements between the Trusts and the counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

**Foreign Currency Exchange Contracts:** The Trusts enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currency backing some of the investments held by the Trusts. The contract is marked-to-market daily and the change in market value is recorded by the Trusts as an unrealized gain or loss. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that a counterparty to the contract does not perform its obligations under the agreement.

**Options:** The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk and/or interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying instrument at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to

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buy the underlying instrument at the exercise price at any time or at a specified time during the option period. When the Trusts purchase (write) an option, an amount equal to the premium paid (received) by the Trusts is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Fund enters into a closing transaction), the Trusts realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

## Notes to Financial Statements (continued)

Options on swaps (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

The Trusts also purchase or sell listed or OTC foreign currency options, foreign currency futures and related options on foreign currency futures as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies (foreign currency exchange rate risk). When foreign currency is purchased or sold through an exercise of a foreign currency option, the related premium paid (or received) is added to (or deducted from) the basis of the foreign currency acquired or deducted from (or added to) the proceeds of the foreign currency sold. Such transactions may be effected with respect to hedges on non-US dollar denominated instruments owned by the Trusts but not yet delivered, or committed or anticipated to be purchased by the Trusts.

In purchasing and writing options, the Trusts bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Trusts may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Trusts purchasing or selling a security at a price different from the current market value.

**Swaps:** The Trusts enter into swap agreements, in which the Trusts and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Trusts are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Trusts will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trusts' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

**Credit default swaps** The Trusts enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Trusts enter into credit default swap agreements to provide a measure of protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). The Trusts may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Trusts will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Trusts will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

**Total return swaps** The Trusts enter into total return swaps to obtain exposure to a security or market without owning such security or investing directly in that market or to transfer the risk/return of one market (e.g., fixed income) to another market (e.g., equity) (equity risk and/or interest rate risk). Total return swaps are agreements in which there is an exchange of cash flows whereby one party commits to make payments based on the total return (coupons plus capital gains/losses) of an underlying instrument in exchange for fixed or floating rate interest payments. To the extent the total return of the instrument or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Trusts will receive a payment from or make a payment to the counterparty.

**Interest rate swaps** Certain Trusts enter into interest rate swaps to gain or reduce exposure to or manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating rate, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Interest rate

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floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

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## Notes to Financial Statements (continued)

## Derivative Instruments Categorized by Risk Exposure:

## Fair Values of Derivative Instruments as of February 28, 2011

|   |  | Asset Derivatives   |                   |                   |                  |                     |                      |                  |
|---|--|---------------------|-------------------|-------------------|------------------|---------------------|----------------------|------------------|
|   |  | BHK                 | HYV               | HYT               | BHY              | BNA                 | BKT                  | BHD              |
| Statements of Assets and Liabilities Location |  | Value               |                   |                   |                  |                     |                      |                  |
| Interest rate contracts                       | Net unrealized appreciation/depreciation*; Unrealized appreciation on swaps; Investments at value unaffiliated** | \$ 8,174,792        |                   |                   |                  | \$ 7,517,944        | \$ 24,611,240        | \$ 25,036        |
| Foreign currency exchange contracts           | Unrealized appreciation on foreign currency exchange contracts; Investments at value unaffiliated**              | 679,309             | \$ 67             | \$ 71             |                  | 677,897             |                      |                  |
| Credit contracts                              | Unrealized appreciation on swaps   | 18,962              | 389,277           | 456,881           | \$ 12,189        | 18,962              |                      | 51,053           |
| <b>Total</b>                                  |  | <b>\$ 8,873,063</b> | <b>\$ 389,344</b> | <b>\$ 456,952</b> | <b>\$ 12,189</b> | <b>\$ 8,214,803</b> | <b>\$ 24,611,240</b> | <b>\$ 76,089</b> |

|   |  | Liability Derivatives |                     |                     |                   |                  |                      |                      |                   |
|---|--|-----------------------|---------------------|---------------------|-------------------|------------------|----------------------|----------------------|-------------------|
|   |  | BHK                   | HYV                 | HYT                 | HIS               | BHY              | BNA                  | BKT                  | BHD               |
| Statements of Assets and Liabilities Location |  | Value                 |                     |                     |                   |                  |                      |                      |                   |
| Interest rate contracts                       | Net unrealized appreciation/depreciation*; Unrealized depreciation on swaps; Options written at value; Interest rate floors at value | \$ 10,257,968         |                     |                     |                   |                  | \$ 10,088,485        | \$ 24,892,010        | \$ 11,147         |
| Foreign currency exchange contracts           | Unrealized depreciation on foreign currency exchange contracts   | 833,729               | \$ 252,933          | \$ 269,959          | \$ 36,740         |                  | 840,687              |                      | 53,362            |
| Credit contracts                              | Unrealized depreciation on swaps; Options written at value   | 267,424               | 862,839             | 787,924             |                   | \$ 59,528        | 267,425              |                      | 141,158           |
| Equity contracts                              | Net unrealized appreciation/depreciation*  |                       | 440,075             | 471,113             | 86,908            |                  |                      |                      |                   |
| <b>Total</b>                                  |  | <b>\$ 11,359,122</b>  | <b>\$ 1,555,847</b> | <b>\$ 1,528,996</b> | <b>\$ 123,648</b> | <b>\$ 59,528</b> | <b>\$ 11,196,597</b> | <b>\$ 24,892,010</b> | <b>\$ 205,667</b> |



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\* Includes cumulative appreciation/depreciation of financial futures contracts as reported in Schedules of Investments. Only current day's margin variation is reported within the Statements of Assets and Liabilities.

\*\* Includes options purchased at value as reported in the Schedules of Investments.

**The Effect of Derivative Instruments in the Statement of Operations**  
Six Months Ended February 28, 2011

|                                      | Net Realized Gain (Loss) from |                       |                       |                     |                    |                     |                     |                     |
|--------------------------------------|-------------------------------|-----------------------|-----------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
|                                      | BHK                           | HYV                   | HYT                   | HIS                 | BHY                | BNA                 | BKT                 | BHD                 |
| Interest rate contracts:             |                               |                       |                       |                     |                    |                     |                     |                     |
| Financial futures contracts          | \$ (4,896,992)                |                       |                       |                     |                    | \$ (6,015,314)      | \$ 5,833,761        | \$ (100,303)        |
| Swaps                                | (1,122,308)                   |                       |                       |                     |                    | 3,854,856           | 4,708,781           |                     |
| Options***                           | 804,170                       |                       |                       |                     |                    | 895,513             | (40,185)            | 28,625              |
| Floors                               |                               |                       |                       |                     |                    |                     | (1,876,795)         |                     |
| Foreign currency exchange contracts: |                               |                       |                       |                     |                    |                     |                     |                     |
| Foreign currency exchange contracts  | (288,618)                     | \$ (1,821,239)        | \$ (2,066,544)        | \$ (291,614)        |                    | (58,453)            |                     | (164,507)           |
| Options***                           | 41,688                        |                       |                       |                     |                    | 36,063              |                     |                     |
| Credit contracts:                    |                               |                       |                       |                     |                    |                     |                     |                     |
| Swaps                                | (321,028)                     | 175,892               | 216,109               |                     | \$ (31,704)        | 1,145,807           |                     |                     |
| Options***                           |                               | 113,750               | 119,750               |                     | 13,000             |                     |                     | (73,197)            |
| Equity contracts:                    |                               |                       |                       |                     |                    |                     |                     |                     |
| Financial futures contracts          |                               | (1,524,239)           | (1,561,238)           | (260,221)           |                    |                     |                     |                     |
| Options***                           |                               | 50,715                | 52,351                |                     |                    |                     |                     |                     |
| <b>Total</b>                         | <b>\$ (5,783,088)</b>         | <b>\$ (3,005,121)</b> | <b>\$ (3,239,572)</b> | <b>\$ (551,835)</b> | <b>\$ (18,704)</b> | <b>\$ (141,528)</b> | <b>\$ 8,625,562</b> | <b>\$ (309,382)</b> |

\*\*\* Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

## Notes to Financial Statements (continued)

## Net Change in Unrealized Appreciation/Depreciation on

|                                      | BHK               | HYV                   | HYT                   | HIS                 | BHY                | BNA                   | BKT                   | BHD                 |
|--------------------------------------|-------------------|-----------------------|-----------------------|---------------------|--------------------|-----------------------|-----------------------|---------------------|
| Interest rate contracts:             |                   |                       |                       |                     |                    |                       |                       |                     |
| Financial futures contracts          | \$ (1,041,525)    |                       |                       |                     |                    | \$ (1,043,699)        | \$ (588,259)          | \$ 19,507           |
| Swaps                                | 1,153,379         |                       |                       |                     |                    | (3,881,597)           | (2,675,581)           |                     |
| Options***                           | 1,167,371         |                       |                       |                     |                    | 1,339,969             | 270,875               |                     |
| Floors                               |                   |                       |                       |                     |                    |                       | 1,825,213             |                     |
| Foreign currency exchange contracts: |                   |                       |                       |                     |                    |                       |                       |                     |
| Foreign currency exchange contracts  | (226,335)         | \$ (210,673)          | \$ (227,991)          | \$ (36,398)         |                    | (236,822)             |                       | (56,815)            |
| Options***                           | (66,037)          |                       |                       |                     |                    | (65,782)              |                       |                     |
| Credit contracts:                    |                   |                       |                       |                     |                    |                       |                       |                     |
| Swaps                                | (176,784)         | (429,508)             | (408,099)             |                     | \$ (43,808)        | (300,888)             |                       | (107,911)           |
| Options***                           |                   | (107,893)             | (113,584)             |                     | (12,341)           |                       |                       | (27,158)            |
| Equity contracts:                    |                   |                       |                       |                     |                    |                       |                       |                     |
| Financial futures contracts          |                   | (615,578)             | (651,669)             | (132,386)           |                    |                       |                       |                     |
| Other contracts:                     |                   |                       |                       |                     |                    |                       |                       |                     |
| Swaps                                | (410,465)         |                       |                       |                     |                    | (410,464)             |                       |                     |
| <b>Total</b>                         | <b>\$ 399,604</b> | <b>\$ (1,363,652)</b> | <b>\$ (1,401,343)</b> | <b>\$ (168,784)</b> | <b>\$ (56,149)</b> | <b>\$ (4,599,283)</b> | <b>\$ (1,167,752)</b> | <b>\$ (172,377)</b> |

\*\*\* Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the six months ended February 28, 2011, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BHK            | HYV           | HYT           | HIS          | BHY | BNA            | BKT            | BHD          |
|--|----------------|---------------|---------------|--------------|-----|----------------|----------------|--------------|
| Financial futures contracts:                     |                |               |               |              |     |                |                |              |
| Average number of contracts purchased            | 554            |               |               |              |     | 613            | 719            | 52           |
| Average number of contracts sold                 | 953            | 191           | 203           | 39           |     | 980            | 2,665          | 28           |
| Average notional value of contracts purchased    | \$ 86,867,487  |               |               |              |     | \$ 95,818,635  | \$ 165,022,176 | \$ 7,984,721 |
| Average notional value of contracts sold         | \$ 126,561,648 | \$ 11,611,623 | \$ 12,341,602 | \$ 2,340,775 |     | \$ 129,193,058 | \$ 375,739,627 | \$ 3,346,988 |
| Foreign currency exchange contracts:             |                |               |               |              |     |                |                |              |
| Average number of contracts US dollars purchased | 14             | 11            | 11            | 4            |     | 17             |                | 4            |
| Average number of contracts US dollars           | 11             | 1             | 1             |              |     | 11             |                |              |

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|  |                |               |               |              |                |                |
|--|----------------|---------------|---------------|--------------|----------------|----------------|
| sold   |                |               |               |              |                |                |
| Average US dollar amounts purchased                    | \$ 21,338,472  | \$ 26,889,071 | \$ 28,812,263 | \$ 4,411,227 | \$ 17,868,564  | \$ 4,781,846   |
| Average US dollar amounts sold                         | \$ 15,351,150  | \$ 48,920     | \$ 129,673    |              | \$ 15,317,787  |                |
| Options:   |                |               |               |              |                |                |
| Average number of option contracts purchased           | 11,895         |               |               | 3            | 1,683          | 267            |
| Average number of option contracts written             | 289            |               |               |              | 289            | 364            |
| Average notional value of option contracts purchased   | \$ 1,949,019   |               |               | \$ 2,829     | \$ 1,882,030   | \$ 494,250     |
| Average notional value of option contracts written     | \$ 487,000     |               |               |              | \$ 487,250     | \$ 590,750     |
| Average number of swaption contracts purchased         | 40             |               |               |              | 39             | 2              |
| Average number of swaption contracts written           | 55             |               |               |              | 54             | 4              |
| Average notional value of swaption contracts purchased | \$ 193,950,000 |               |               |              | \$ 179,750,000 | \$ 12,400,000  |
| Average notional value of swaption contracts written   | \$ 215,950,000 |               |               |              | \$ 218,300,000 | \$ 29,200,000  |
| Credit default swaps:                                  |                |               |               |              |                |                |
| Average number of contracts buy protection             | 8              | 7             | 7             | 5            | 9              | 7              |
| Average number of contracts sell protection            | 2              | 20            | 20            | 7            | 1              | 9              |
| Average notional value buy protection                  | \$ 14,901,500  | \$ 6,430,000  | \$ 6,300,000  | \$ 675,000   | \$ 17,871,500  | \$ 2,072,500   |
| Average notional value sell protection                 | \$ 5,045,000   | \$ 9,551,528  | \$ 10,365,250 | \$ 359,238   | \$ 7,450,000   | \$ 1,237,500   |
| Interest rate swaps:                                   |                |               |               |              |                |                |
| Average number of contracts pays fixed rate            | 13             |               |               |              | 11             | 14             |
| Average number of contracts receives fixed rate        | 12             |               |               |              | 11             | 11             |
| Average notional value pays fixed rate                 | \$ 74,900,000  |               |               |              | \$ 61,950,000  | \$ 360,330,000 |
| Average notional value receives fixed rate             | \$ 31,900,000  |               |               |              | \$ 26,350,000  | \$ 243,911,600 |

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ), Bank of America Corporation ( BAC ) and Barclays Bank PLC ( Barclays ) are the largest stockholders of BlackRock, Inc. ( BlackRock ). Due to the ownership structure, PNC is an affiliate of the Trusts for 1940 Act purposes, but BAC and Barclays are not.

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Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Trusts' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services for BHK, HYV, HYT, HIS and BHD.

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The following Trusts' investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of each Trust's average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

|     |   |
|-----|---|
| BHK | 0.55%   |
| HIS | 0.75% of the first \$200 million and 0.50% thereafter |
| BHY | 1.05%   |
| BHD | 0.75%   |

The following Trusts' investment advisory fee paid to the Manager is computed daily and payable monthly based on an annual rate of each Trust's average total assets (including any assets attributable to borrowings) minus the sum of total liabilities (other than debt representing financial leverage):

|     |       |
|-----|-------|
| HYV | 0.60% |
| HYT | 0.70% |

The following Trusts' investment advisory fee paid to the Manager is computed weekly and payable monthly based on an annual rate of each Trust's average net assets:

|     |       |
|-----|-------|
| BNA | 0.60% |
| BKT | 0.65% |

BHY, BNA and BKT each have an Administration Agreement with the Manager. The administration fee paid to the Manager is computed weekly and payable monthly based on an annual rate, 0.10% for BNA, and 0.15% for BKT, of each Trust's average net assets and 0.10% for BHY of the Trust's average weekly total assets.

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds, however, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid through each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended February 28, 2011, the amounts waived were as follows:

|     |    |       |
|-----|----|-------|
| BHK | \$ | 381   |
| HYV | \$ | 831   |
| HYT | \$ | 821   |
| HIS | \$ | 664   |
| BHY | \$ | 589   |
| BNA | \$ | 379   |
| BKT | \$ | 2,217 |
| BHD | \$ | 573   |

The Manager entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager with respect to BHK, HYV, HYT, HIS, and BHD. The Manager pays BFM for services it provides, a monthly fee that is a percentage of the

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investment advisory fees paid by each Trust to the Manager.

For the period August 1, 2010 through December 31, 2010, each Trust reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

|     |    |       |
|-----|----|-------|
| BHK | \$ | 1,668 |
| HYV | \$ | 1,496 |
| HYT | \$ | 1,558 |
| HIS | \$ | 452   |
| BHD | \$ | 761   |

Effective January 1, 2011, the Trusts no longer reimburse the Manager for accounting services.

Certain officers and/or trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for compensation paid to the Trusts Chief Compliance Officer.

#### 4. Investments:

Purchases and sales of investments including paydowns, mortgage dollar roll and TBA transactions and excluding short-term securities and US government securities for the six months ended February 28, 2011, were as follows:

|     | Purchases        | Sales            |
|-----|------------------|------------------|
| BHK | \$ 2,362,451,629 | \$ 2,307,568,903 |
| HYV | \$ 266,616,913   | \$ 232,857,997   |
| HYT | \$ 270,911,385   | \$ 238,425,888   |
| HIS | \$ 72,619,558    | \$ 74,480,756    |
| BHY | \$ 26,413,275    | \$ 25,061,015    |
| BNA | \$ 2,205,458,027 | \$ 2,150,871,699 |
| BKT | \$ 4,558,950,728 | \$ 4,372,161,304 |
| BHD | \$ 57,216,107    | \$ 43,117,112    |

For the six months ended February 28, 2011, purchases and sales of US government securities were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BHK | \$ 894,549,157 | \$ 884,443,787 |
| BNA | \$ 789,952,029 | \$ 778,467,525 |
| BKT | \$ 641,530,144 | \$ 632,431,928 |
| BHD | \$ 3,318,085   | \$ 1,011,208   |

For the six months ended February 28, 2011, purchases and sales of mortgage dollar rolls were as follows:

|     | Purchases        | Sales            |
|-----|------------------|------------------|
| BHK | \$ 975,922,430   | \$ 976,005,641   |
| BNA | \$ 958,259,613   | \$ 958,259,652   |
| BKT | \$ 2,611,566,758 | \$ 2,614,370,172 |



## Notes to Financial Statements (continued)

Transactions in options written for the six months ended February 28, 2011, were as follows:

|  | Calls                |  |                     | Puts                 |  |                     |
|--|----------------------|--|---------------------|----------------------|--|---------------------|
|  | Options<br>Contracts | Swaptions<br>Notional<br>Amount<br>(000) | Premium<br>Received | Options<br>Contracts | Swaptions<br>Notional<br>Amount<br>(000) | Premium<br>Received |
| <b>BHK</b>                               |                      |  |                     |                      |  |                     |
| Outstanding options, beginning of period |                      | \$ 75,700                                | \$ 4,043,175        |                      | \$ 117,300                               | \$ 4,587,195        |
| Options written                          | 17,543               | 80,700                                   | 3,238,797           | 6,475                | 100,430                                  | 3,446,041           |
| Options closed                           | (17,187)             | (32,500)                                 | (1,473,560)         | (98)                 | (54,130)                                 | (1,081,088)         |
| Options exercised                        |                      | (15,000)                                 | (798,750)           | (3)                  |  | (930)               |
| Options expired                          | (160)                | (9,500)                                  | (183,464)           | (6,110)              | (38,600)                                 | (1,816,361)         |
| Outstanding options, end of period       | 196                  | \$ 99,400                                | \$ 4,826,198        | 264                  | \$ 125,000                               | \$ 5,134,857        |
| <b>HYV</b>                               |                      |  |                     |                      |  |                     |
| Outstanding options, beginning of period |                      | \$ 13,250                                | \$ 94,750           |                      | \$ 4,750                                 | \$ 71,250           |
| Options expired                          |                      | (13,250)                                 | (94,750)            |                      | (4,750)                                  | (71,250)            |
| Outstanding options, end of period       |                      |  |                     |                      |  |                     |
| <b>HYT</b>                               |                      |  |                     |                      |  |                     |
| Outstanding options, beginning of period |                      | \$ 13,950                                | \$ 99,750           |                      | \$ 5,000                                 | \$ 75,000           |
| Options expired                          |                      | (13,950)                                 | (99,750)            |                      | (5,000)                                  | 75,000              |
| Outstanding options, end of period       |                      |  |                     |                      |  |                     |
| <b>BHY</b>                               |                      |  |                     |                      |  |                     |
| Outstanding options, beginning of period |                      | \$ 1,500,000                             | \$ 10,800           |                      | \$ 550,000                               | \$ 8,250            |
| Options expired                          |                      | (1,500,000)                              | (10,800)            |                      | (550,000)                                | (8,250)             |
| Outstanding options, end of period       |                      |  |                     |                      |  |                     |
| <b>BNA</b>                               |                      |  |                     |                      |  |                     |
| Outstanding options, beginning of period |                      | \$ 79,400                                | \$ 3,860,147        |                      | \$ 116,000                               | \$ 4,379,012        |
| Options written                          | 17,464               | 76,800                                   | 3,148,350           | 6,448                | 96,430                                   | 3,355,385           |
| Options closed                           | (17,108)             | (30,100)                                 | (1,441,924)         | (6,082)              | (38,200)                                 | (1,795,761)         |
| Options exercised                        |                      | (15,000)                                 | (798,750)           | (3)                  |  | (930)               |
| Options expired                          | (160)                | (9,600)                                  | (183,989)           | (98)                 | (47,230)                                 | (1,045,245)         |
| Outstanding options, end of period       | 196                  | \$ 101,500                               | \$ 4,583,834        | 265                  | \$ 127,000                               | \$ 4,892,461        |



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| <b>BKT</b>                               |          |           |            |           |            |
|--|----------|-----------|------------|-----------|------------|
| Outstanding options, beginning of period |          | \$ 18,100 | \$ 679,458 | \$ 18,100 | \$ 679,457 |
| Options written                          | 23,475   |           | 479,926    | 8,537     | 588,852    |
| Options closed                           | (23,006) |           | (235,599)  | (457)     | (290,058)  |
| Options exercised                        |          |           |            | (7,643)   | (90,756)   |
| Options expired                          | (201)    |           | (86,919)   | (134)     | (89,696)   |
| Outstanding options, end of period       | 268      | \$ 18,100 | \$ 836,866 | 303       | \$ 797,799 |

| <b>BHD</b>                               |  |          |           |          |           |
|--|--|----------|-----------|----------|-----------|
| Outstanding options, beginning of period |  | \$ 3,325 | \$ 23,825 | \$ 1,200 | \$ 18,000 |
| Options expired                          |  | (2,125)  | (10,625)  | (1,200)  | (18,000)  |
| Options exercised                        |  | (1,200)  | (13,200)  |          |           |

Outstanding options, end of period

**5. Capital Loss Carryforwards:**

As of August 31, 2010, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires August 31, | BHK           | HYV           | HYT           | HIS           | BHY           | BNA           | BHD          |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 2011               |               |               |               | \$ 28,467,396 | \$ 4,771,417  |               |              |
| 2012               |               |               |               | 2,339,279     | 316,410       |               |              |
| 2014               | \$ 231,359    |               | \$ 2,291,195  | 7,043,976     | 2,060,533     | \$ 2,451,626  | \$ 447,113   |
| 2015               |               |               | 564,489       |               | 2,467,772     | 2,342,921     |              |
| 2016               | 17,415,494    | \$ 950,802    | 1,125,717     | 10,829,322    | 2,039,760     | 14,734,497    | 2,036,040    |
| 2017               | 7,416,000     | 37,231,421    | 40,815,806    | 3,140,056     | 916,541       | 7,369,088     | 930,008      |
| 2018               |               | 45,786,654    | 54,927,764    | 15,169,557    | 5,191,260     | 10,964,638    | 3,835,687    |
| <b>Total</b>       | \$ 25,062,853 | \$ 83,968,877 | \$ 99,724,971 | \$ 66,989,586 | \$ 17,763,693 | \$ 37,862,770 | \$ 7,248,848 |

## Notes to Financial Statements (continued)

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Trusts after August 31, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

**6. Borrowings:**

On March 4, 2010, the HYV, HYT, HIS, BHY and BHD entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). The Trusts have granted a security interest in substantially all of their assets to SSB. The SSB Agreement allowed for the following maximum commitment amounts:

|     | Commitment<br>Amounts |
|-----|-----------------------|
| HYV | \$ 140,000,000        |
| HYT | \$ 145,000,000        |
| HIS | \$ 45,000,000         |
| BHY | \$ 18,000,000         |
| BHD | \$ 30,000,000         |

Advances were made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 1.0% above the Fed Funds rate and (ii) 1.0% above the Overnight LIBOR or (b) 1.0% above 7-day, 30-day, 60-day or 90-day LIBOR.

Effective March 3, 2011, the SSB Agreement was renewed for 364 days. The SSB Agreement allows for the following maximum commitment amounts:

|     | Commitment<br>Amounts |
|-----|-----------------------|
| HYV | \$ 204,500,000        |
| HYT | \$ 213,800,000        |
| HIS | \$ 63,600,000         |
| BHY | \$ 23,000,000         |
| BHD | \$ 50,200,000         |

Advances are made by SSB to the Trusts, at the Trusts' option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR. In addition, the Trusts pay a facility fee and a commitment fee based upon SSB's total commitment to the Trusts. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Trusts as of February 28, 2011 are shown in the Statements of Assets and Liabilities as loan payable.

The Trusts may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

During the six months ended February 28, 2011, BKT borrowed under the TALF. The TALF program was launched by the US Department of Treasury and the Federal Reserve Board as a credit facility designed to restore liquidity to the market for asset-backed securities. The Federal Reserve Bank of New York (FRBNY) provided up to \$1 trillion in non-recourse loans to support the issuance of certain AAA-rated asset-backed securities and commercial mortgage-backed securities (Eligible Securities). The Trusts posted as collateral already-held Eligible Securities, which were all commercial mortgage-backed securities, in return for non-recourse, 5-year term loans (TALF loans) in an amount equal to approximately 85% of the value of such Eligible Securities.

|     | Number<br>of Loans | Aggregate<br>Value<br>of Loan | Maturity<br>Date | Interest<br>Rate | Value of<br>Eligible<br>Security |
|-----|--------------------|-------------------------------|------------------|------------------|----------------------------------|
| BKT | 1                  | \$10,940,517                  | 8/28/14          | 3.87%            | \$13,290,170                     |

The non-recourse provision of the TALF loans allowed the Trusts to satisfy loan obligations with Eligible Securities, subject to certain conditions, even if the value of the Eligible Securities falls below the outstanding amount of the loan. The Trusts can repay TALF loans prior to the maturity dates with no penalty. Principal and interest due on the loans will typically be paid with principal paydowns and interest received from the Eligible Securities. Credit agreements underlying each loan contain provisions to address instances in which interest payments on Eligible Securities fall short of amounts due to the FRBNY. The Trusts paid to the FRBNY a one-time administration fee of 0.20% of the amount borrowed, which was expensed as incurred in the current period by the Trusts and is included in borrowing costs in the Statements of Operations. The Trusts also paid a financing fee equal to the 5-year LIBOR swap rate plus 1.00% on the outstanding loan amount payable monthly, which is included in interest expense in the Statements of Operations.

During the six months ended February 28, 2011, BHK and BNA repaid their outstanding TALF loans and the Eligible Securities posted as collateral were returned to the Trusts. The Trusts financed the repayment of the TALF loans by entering into reverse repurchase agreements.

Since the Trusts had the ability to potentially satisfy TALF loan obligations by surrendering Eligible Securities, potential losses by the Trusts associated with the TALF loans were limited to the difference between the amount of Eligible Securities posted at the time of loan initiation and the loan proceeds received by the Trusts.

The Trusts elected to account for the outstanding TALF loans at fair value. The Trusts elected to fair value its TALF loans to more closely align changes in the value of the TALF loans with changes in the value of the Eligible Securities and to reduce the potential volatility in the Statements of Operations which could result if only the Eligible Securities were fair valued. The TALF loans were valued utilizing quotations received from a board approved pricing service. TALF-eligible Asset-Backed Securities/Collateralized Mortgage-Backed Securities ( ABS/CMBS ) value may be affected by historic defaults and prepayments on the asset pool, expected future defaults and prepayments, current interest rate levels, current and forward modeled ABS/CMBS spread levels. Accordingly, TALF loan valuation methodologies may include, but are not limited to, the following inputs: (i) ABS/CMBS prepayment assumptions, (ii) discount rates and (iii) the non-recourse put option valuation. The resulting TALF loan valuation combines the present value of the future loan cash flows, plus the value of the non-recourse option. The change in unrealized gain or loss associated with fair valuing the TALF loans is reflected in the Statements of Operations.

## Notes to Financial Statements (continued)

For the six months ended February 28, 2011, the Trusts' daily average amount of outstanding transactions considered as borrowings from reverse repurchase agreements, treasury roll transactions and TALF loans were as follows:

|     | Daily Weighted<br>Average<br>Interest Rate |
|-----|--|
| BHK | 0.27%                                      |
| BNA | 0.25%                                      |
| BKT | 0.88%                                      |

For the six months ended February 28, 2011, the Trusts' daily average amount of outstanding transactions considered as loans under the revolving credit agreements were as follows:

|     | Daily Weighted<br>Average<br>Interest Rate |
|-----|--|
| HYV | 1.25%                                      |
| HYT | 1.25%                                      |
| HIS | 1.24%                                      |
| BHY | 1.25%                                      |
| BHD | 1.25%                                      |

**7. Commitments:**

The Trusts may invest in floating rate loan interests. In connection with these investments, the Trusts may also enter into unfunded loan commitments ( commitments ). Commitments may obligate the Trusts to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Trusts earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of February 28, 2011, the Trusts had the following unfunded loan commitments:

| Borrower                      | Unfunded<br>Commitment | Value of<br>Underlying<br>Loan |
|-------------------------------|------------------------|--------------------------------|
| <b>HIS</b>                    |                        |                                |
| Delphi International Holdings | \$ 36,829              | \$ 35,724                      |
| <b>BHY</b>                    |                        |                                |
| Delphi International Holdings | \$ 72,738              | \$ 70,556                      |
| <b>HYV</b>                    |                        |                                |
| Axcan Intermediate Holdings   | \$ 500,000             | \$ 501,563                     |

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|                               |              |              |
|-------------------------------|--------------|--------------|
| Delphi International Holdings | \$ 1,277,361 | \$ 1,239,040 |
|-------------------------------|--------------|--------------|

**HYT**

|                               |              |              |
|-------------------------------|--------------|--------------|
| Axcan Intermediate Holdings   | \$ 500,000   | \$ 504,056   |
| Echostar DBS Corp             | \$ 4,490,000 | \$ 4,490,000 |
| Delphi International Holdings | \$ 656,788   | \$ 637,084   |

**BHD**

|                                    |            |            |
|------------------------------------|------------|------------|
| Delphi Automotive Systems Holdings | \$ 161,435 | \$ 156,592 |
|------------------------------------|------------|------------|

**HIS**

|                               |           |           |
|-------------------------------|-----------|-----------|
| Delphi International Holdings | \$ 72,738 | \$ 70,556 |
|-------------------------------|-----------|-----------|

**8. Concentration, Market and Credit Risk:**

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Trusts Statements of Assets and Liabilities, less any collateral held by the Trusts.

Certain Trusts invest a significant portion of their assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

**9. Capital Share Transactions:**

There are 200 million of \$0.01 par value shares authorized for BNA and BKT. There are an unlimited number of \$0.001 par value shares authorized for BHK, BHY and BHD. There are an unlimited number of no par value shares authorized for HIS. There are 200 million of \$0.10 par value shares authorized for HYV and HYT. The Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

For the six months ended February 28, 2011 and the year ended August 31, 2010, shares issued and outstanding increased by the following amounts as a result of dividend reinvestments:

|     | Six Months<br>Ended<br>February 28,<br>2011 | Year Ended<br>August 31,<br>2010 |
|-----|---|----------------------------------|
| HYT |   | 7,573                            |



Notes to Financial Statements (concluded)

Shares issued and outstanding remained constant during the six months ended February 28, 2011 and the year ended August 31, 2010 for HYV, HIS, BHY, BKT and BHD.

At February 28, 2011, the shares owned by affiliates of the Manager of the Trusts were as follows:

|     | Shares |
|-----|--------|
| HYV | 20,002 |
| HYT | 16,603 |

**10. Subsequent Events:**

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Trust paid a net investment income dividend on March 31, 2011 to shareholders of record on March 15, 2011 as follows:

|     | Common<br>Dividend<br>Per Share |
|-----|---------------------------------|
| BHK | \$ 0.0670                       |
| HYV | \$ 0.0850                       |
| HYT | \$ 0.0825                       |
| HIS | \$ 0.0142                       |
| BHY | \$ 0.0435                       |
| BNA | \$ 0.0510                       |
| BKT | \$ 0.0265                       |
| BHD | \$ 0.0845                       |

## Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee  
Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Trustee  
Richard S. Davis, Trustee  
Frank J. Fabozzi, Trustee and Member of the Audit Committee  
Kathleen F. Feldstein, Trustee  
James T. Flynn, Trustee and Member of the Audit Committee  
Henry Gabbay, Trustee  
Jerrold B. Harris, Trustee  
R. Glenn Hubbard, Trustee  
W. Carl Kester, Trustee and Member of the Audit Committee  
John M. Perlowski, President and Chief Executive Officer  
Brendan Kyne, Vice President  
Anne Ackerley, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer  
Ira Shapiro, Secretary

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisor<sup>1</sup>**

BlackRock Financial Management, Inc.  
New York, NY 10055

### **Custodian**

State Street Bank and Trust Company  
Boston, MA 02111

### **Transfer Agent**

Computershare Trust Company, N.A.  
Providence, RI 02940

### **Accounting Agent**

State Street Bank and Trust Company  
Princeton, NJ 08540

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Princeton, NJ 08540

### **Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

### **Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>1</sup> For BHK, HYV, HYT, HIS and BHD.



Effective February 11, 2011, John M. Perlowski became President and Chief Executive Officer of the Trusts.

Effective November 10, 2010, Ira Shapiro became Secretary of the Trusts.

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## Additional Information

## Proxy Results

The Annual Meeting of Shareholders was held on September 2, 2010 for shareholders of record on July 6, 2010, to elect trustee/director nominees for each Trust/Fund. There were no broker non-votes with regard to any of the Trusts/Funds.

Approved the Class III Trustees/Directors as follows:

|     | Richard E. Cavanagh |                |         | Kathleen F. Feldstein |                |         | Henry Gabbay |                |         |
|-----|---------------------|----------------|---------|-----------------------|----------------|---------|--------------|----------------|---------|
|     | Votes For           | Votes Withheld | Abstain | Votes For             | Votes Withheld | Abstain | Votes For    | Votes Withheld | Abstain |
| BHK | 22,182,721          | 302,077        | 0       | 22,096,470            | 388,328        | 0       | 22,169,823   | 314,975        | 0       |
| HIS | 41,140,138          | 1,171,553      | 0       | 41,118,883            | 1,192,808      | 0       | 41,062,221   | 1,249,470      | 0       |
| BHY | 5,786,870           | 101,056        | 0       | 5,776,683             | 111,243        | 0       | 5,785,713    | 102,213        | 0       |
| BNA | 26,756,239          | 449,047        | 0       | 26,683,571            | 521,715        | 0       | 26,713,163   | 492,123        | 0       |
| BKT | 54,479,971          | 1,380,821      | 0       | 54,422,061            | 1,438,731      | 0       | 54,499,527   | 1,361,265      | 0       |
| BHD | 6,243,777           | 111,281        | 0       | 6,226,172             | 128,886        | 0       | 6,221,200    | 133,858        | 0       |

|     | Jerrold B. Harris |                |         |
|-----|-------------------|----------------|---------|
|     | Votes For         | Votes Withheld | Abstain |
| BHK | 22,135,515        | 349,283        | 0       |
| HIS | 41,119,275        | 1,192,416      | 0       |
| BHY | 5,782,807         | 105,119        | 0       |
| BNA | 26,729,916        | 475,370        | 0       |
| BKT | 54,479,121        | 1,381,671      | 0       |
| BHD | 6,212,740         | 142,318        | 0       |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Richard S. Davis, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

Approved the Directors as follows:

|     | Richard E. Cavanagh |                |         | Richard S. Davis |                |         | Frank J. Fabozzi |                |         |
|-----|---------------------|----------------|---------|------------------|----------------|---------|------------------|----------------|---------|
|     | Votes For           | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain |
| HYV | 25,143,237          | 493,848        | 0       | 25,118,999       | 518,086        | 0       | 25,153,295       | 483,790        | 0       |
| HYT | 26,888,478          | 445,143        | 0       | 26,878,773       | 454,848        | 0       | 26,867,758       | 465,863        | 0       |

Kathleen F. Feldstein

James T. Flynn

Henry Gabbay

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|     | Votes For  | Votes Withheld | Abstain | Votes For  | Votes Withheld | Abstain | Votes For  | Votes Withheld | Abstain |
|-----|------------|----------------|---------|------------|----------------|---------|------------|----------------|---------|
| HYV | 25,083,274 | 553,811        | 0       | 25,128,740 | 508,345        | 0       | 25,151,093 | 485,992        | 0       |
| HYT | 26,857,353 | 476,268        | 0       | 26,874,458 | 459,163        | 0       | 26,889,726 | 443,895        | 0       |

|     | Jerrold B. Harris |                |         | R. Glenn Hubbard |                |         | W. Carl Kester |                |         |
|-----|-------------------|----------------|---------|------------------|----------------|---------|----------------|----------------|---------|
|     | Votes For         | Votes Withheld | Abstain | Votes For        | Votes Withheld | Abstain | Votes For      | Votes Withheld | Abstain |
| HYV | 25,095,704        | 541,381        | 0       | 25,128,814       | 508,271        | 0       | 25,141,106     | 495,979        | 0       |
| HYT | 26,868,308        | 465,313        | 0       | 26,836,841       | 496,780        | 0       | 26,869,654     | 463,967        | 0       |

|     | Karen P. Robards |                |         |
|-----|------------------|----------------|---------|
|     | Votes For        | Votes Withheld | Abstain |
| HYV | 25,111,603       | 525,482        | 0       |
| HYT | 26,892,679       | 440,942        | 0       |

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Additional Information (continued)

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**Dividend Policy**

The Trusts' dividend policy is to distribute all or a portion of their net investment income to their shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Trusts may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

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**General Information**

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charter or by-laws that would delay or prevent a change of control of the Trusts that were not approved by shareholders or in the principal risk factors associated with investment in the Trusts. Other than as disclosed below, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolio.

Quarterly performance, semi-annual and annual reports and other information regarding the Trusts may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website into this report.

**Electronic Delivery**

Electronic copies of most financial reports are available on the Trusts' website or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

**Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:**

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

**Householding**

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call (800) 441-7762.

**Availability of Quarterly Schedule of Investments**

Each Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Trust's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

**Availability of Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

**Availability of Proxy Voting Record**

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

**Availability of Trust Updates**

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts.

## Additional Information (continued)

**Section 19(a) Notices**

These reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Trust's investment experience during the year and may be subject to changes based on the tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

February 28, 2011

|     | Total Cumulative Distributions<br>for the Fiscal Year-to-Date |                                     |                         |                              | % Breakdown of the Total Cumulative<br>Distributions<br>for the Fiscal Year-to-Date |                                     |                         |                              |
|-----|---|-------------------------------------|-------------------------|------------------------------|---|-------------------------------------|-------------------------|------------------------------|
|     | Net<br>Investment<br>Income                                   | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share | Net<br>Investment<br>Income   | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share |
| BHY | \$ 0.2610   |                                     |                         | \$ 0.2610                    | 100%  | 0%                                  | 0%                      | 100%                         |
| BKT | \$ 0.1515   |                                     |                         | \$ 0.1515                    | 100%  | 0%                                  | 0%                      | 100%                         |

Each Trust estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in a Trust is returned to the shareholder. A return of capital does not necessarily reflect a Trust's investment performance and should not be confused with yield or income.

Additional Information (concluded)

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### **BlackRock Privacy Principles**

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BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients ) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

## Edgar Filing: BLACKROCK INCOME TRUST INC - Form N-CSRS

This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

#CEF-1-8-02/11

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## Edgar Filing: BLACKROCK INCOME TRUST INC - Form N-CSRS

- Item 2 Code of Ethics Not Applicable to this semi-annual report
- Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report
- Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report
- Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report
- Item 6 Investments  
(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.  
(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.
- Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report
- Item 8 Portfolio Managers of Closed-End Management Investment Companies  
(a) Not Applicable to this semi-annual report  
(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable
- Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.
- Item 11 Controls and Procedures  
(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.  
(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.
- Item 12 Exhibits attached hereto  
(a)(1) Code of Ethics Not Applicable to this semi-annual report  
(a)(2) Certifications Attached hereto  
(a)(3) Not Applicable  
(b) Certifications Attached hereto
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## Edgar Filing: BLACKROCK INCOME TRUST INC - Form N-CSRS

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Income Trust, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Income Trust, Inc.

Date: May 4, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Income Trust, Inc.

Date: May 4, 2011

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Income Trust, Inc.

Date: May 4, 2011

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