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BLACKROCK INCOME TRUST INC  
Form N-CSRS  
May 01, 2012  
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: 08/31/2012

Date of reporting period: 02/29/2012

Item 1 – Report to Stockholders

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February 29, 2012

## 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

Risk assets were advancing at this time last year despite a wave of geopolitical revolutions, soaring oil prices and natural disasters in Japan. Markets reversed sharply in May, however, when escalating political strife in Greece rekindled fears about sovereign debt problems spreading across Europe. Concurrently, global economic indicators signaled that the recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5, 2011, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default, debt problems escalated in Italy and Spain, and exposure to European sovereign bonds stressed banks globally. Financial markets whipsawed on hopes and fears. Macro news flow became a greater influence on trading decisions than the fundamentals of the securities traded. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began to show progress toward stemming the region's debt crisis. Investors began to reenter the markets and risk assets recovered through the month. But a lack of definitive details about Europe's rescue plan eventually raised doubts among investors and thwarted the rally at the end of October. The last two months of 2011 saw more political instability in Greece, unsustainable yields on Italian government bonds, and US policymakers in gridlock over budget issues. Global central bank actions and improving economic data invigorated the markets, but investor confidence was easily tempered by sobering news flow.

Investors showed more optimism at the start of 2012. Risk assets rallied through January and February as economic data grew stronger and debt problems in Europe stabilized. In the United States, jobs data signaled solid improvement in the labor market and the Federal Reserve indicated that it would keep short-term interest rates low through 2014. In Europe, policymakers made significant progress toward securing a Greek bailout plan and restructuring the nation's debt. Nevertheless, considerable headwinds remain. Europe faces a prolonged recession, the US economy still remains somewhat shaky and the risks of additional flare ups of euro-zone debt problems and slowing growth in China weigh heavily on the future of the global economy.

Risk assets, including equities and high yield bonds, recovered their late-summer losses and posted strong returns for the 6-month period ended February 29, 2012. On a 12-month basis, US large-cap stocks and high yield bonds delivered positive results, while small-cap and emerging-market stocks finished slightly negative. International markets, which experienced some significant downturns in 2011, lagged the broader rebound. Fixed income securities, which benefited from declining yields, advanced over the 6- and 12-month periods. Despite their quality rating downgrade, US Treasury bonds performed particularly well. Municipal bonds also delivered superior results. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Many of the themes that caused uncertainty in 2011 remain. For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times. Visit [blackrock.com/newworld](http://blackrock.com/newworld) for more information.

Sincerely,

### **Rob Kapito**

President, BlackRock Advisors, LLC

*For investors, the risks appear daunting, but this challenging environment offers new opportunities. BlackRock was built for these times.*

### **Rob Kapito**

President, BlackRock Advisors, LLC

## **Total Returns as of February 29, 2012**

| <b>6-month</b> | <b>12-month</b> |
|----------------|-----------------|
| 13.31%         | 5.12%           |

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|  |       |        |
|--|-------|--------|
| US large cap equities<br>(S&P 500® Index)  |       |        |
| US small cap equities<br>(Russell 2000® Index)   | 12.40 | (0.15) |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                | 4.13  | (7.45) |
| Emerging market<br>equities (MSCI Emerging<br>Markets Index)                           | 5.27  | (0.11) |
| 3-month Treasury<br>bill (BofA Merrill Lynch<br>3-Month Treasury<br>Bill Index)        | 0.00  | 0.08   |
| US Treasury securities<br>(BofA Merrill Lynch 10-<br>Year US Treasury Index)           | 3.70  | 17.22  |
| US investment grade bonds<br>(Barclays US Aggregate<br>Bond Index)                     | 2.73  | 8.37   |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                            | 5.93  | 12.88  |
| US high yield bonds<br>(Barclays US Corporate<br>High Yield 2% Issuer<br>Capped Index) | 8.62  | 6.92   |

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of February 29, 2012

**BlackRock Core Bond Trust**

### **Investment Objective**

**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.

### **Portfolio Management Commentary**

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

For the six months ended February 29, 2012, the Trust returned 15.20% based on market price and 8.63% 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 8.84% based on market price and 5.79% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop conducive for credit spread compression. As a result, the Trust benefited from its allocations to investment grade credit and high yield corporate credit. Within corporate credit, relative value trading in industrials was additive to performance. The Trust also benefited from exposure to commercial mortgage-backed securities ( CMBS ), which outperformed most other securitized debt sectors. Finally, the Trust s duration stance (sensitivity to interest rate movements) contributed to returns as rates generally moved lower throughout the period.

The Trust actively traded exposure to financials within investment grade credit. Although these positions performed well toward period end, the overall effect was a drag on performance as European sovereign debt fear caused weakness in US financial names.

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

During the period, the Trust reduced its allocation to investment grade securities in the banking industry while increasing exposure to companies with strong cash flow and high earnings visibility in the energy and telecommunications space. Toward period end, the Trust increased its portfolio duration, primarily by adding exposure to US Treasury bonds.

#### **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, asset-backed securities and non-agency residential mortgage-backed securities ( MBS ). The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS. The Trust ended the reporting period with a long duration profile.

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 29, 2012 (\$14.19) <sup>1</sup> | 5.67%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.067           |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.804           |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                       | 29%               |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the 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:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.19 | \$12.69 | 11.82% | \$14.24 | \$12.59 |
| Net Asset Value | \$14.53 | \$13.78 | 5.44%  | \$14.56 | \$13.65 |

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**

|   | 2/29/12 | 8/31/11 |
|---|---------|---------|
| Corporate Bonds                           | 53%     | 52%     |
| US Treasury Obligations                   | 22      | 16      |
| Non-Agency Mortgage-Backed Securities     | 11      | 12      |
| US Government Sponsored Agency Securities | 5       | 13      |
| Asset-Backed Securities                   | 5       | 4       |
| Foreign Agency Obligations                | 2       | 1       |
| Taxable Municipal Bonds                   | 1       | 1       |
| Preferred Securities                      | 1       | 1       |

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

|                      | 2/29/12 | 8/31/11 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 38%     | 40%     |
| AA/Aa                | 6       | 8       |
| A                    | 18      | 17      |
| BBB/Baa              | 16      | 16      |
| BB/Ba                | 9       | 6       |
| B                    | 10      | 11      |
| CCC/Caa              | 2       | 2       |
| Not Rated            | 1       |         |



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- <sup>4</sup> Using the higher of Standard & Poor's ( S&P's ) or Moody's Investors Service ( Moody's ) ratings.
- <sup>5</sup> Includes US Government Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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Trust Summary as of February 29, 2012

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

**Investment Objective**

**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.

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six months ended February 29, 2012, the Trust returned 16.85% based on market price and 11.05% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 13.38% based on market price and 10.05% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust delivered strong returns for the six-month period as risk assets rallied. High yield debt posted solid gains, outpacing government, emerging market and investment grade corporate sectors. Across the high yield credit spectrum, security selection in the mid- to higher-quality tiers boosted the Trust s returns. Among sectors, security selection in the consumer service and non-captive diversified financials was rewarding. The Trust s exposure to Delphi Automotive Plc stock received in connection with the company s reorganization also added to performance.

Detracting from performance was the Trust s tactical allocations to bank loans and investment grade credit, which underperformed relative to high yield debt in the risk asset rally. Exposure to select lower- and non-rated names in the high yield market hurt performance, as did security selection in the paper, metals & mining and non-cable media sectors.

**Describe recent portfolio activity.**

The period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term panacea for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

Given these developments, the Trust maintained its higher-quality income- oriented bias, but started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Trust continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits (i.e., those with higher sensitivity to market volatility) and the more cyclical sectors.

**Describe portfolio positioning at period end.**

At period end, the Trust held 76% of its total portfolio in corporate bonds, 15% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred stocks and other interests. The Trust s largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Trust ended the period with economic leverage at 24% of its total managed assets.

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

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

|  |                   |
|--|-------------------|
| Symbol on NYSE   | HYV               |
| Initial Offering Date  | November 30, 2001 |
| Yield on Closing Market Price as of February 29, 2012 (\$12.88) <sup>1</sup> | 8.01%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.086           |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$1.032           |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                       | 24%               |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the 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:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$12.88 | \$11.55 | 11.52% | \$13.05 | \$10.13 |
| Net Asset Value | \$12.41 | \$11.71 | 5.98%  | \$12.41 | \$10.91 |

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**

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 76%     | 79%     |
| Floating Rate Loan Interests | 15      | 13      |
| Common Stocks                | 7       | 3       |
| Preferred Stocks             | 2       | 2       |
| Other Interests              |         | 3       |

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

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 7       | 7%      |
| BB/Ba     | 38      | 34      |
| B         | 43      | 45      |
| CCC/Caa   | 10      | 11      |
| D         |         | 1       |
| Not Rated | 1       | 2       |

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



Trust Summary as of February 29, 2012

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

### **Investment Objective**

**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.

### **Portfolio Management Commentary**

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

For the six months ended February 29, 2012, the Trust returned 16.21% based on market price and 10.55% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 13.38% based on market price and 10.05% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

The Trust delivered strong returns for the six-month period as risk assets rallied. High yield debt posted solid gains, outpacing government, emerging market and investment grade corporate sectors. Across the high yield credit spectrum, security selection in the mid- to higher-quality tiers boosted the Trust s returns. Among sectors, security selection in the consumer service and non-captive diversified financials was rewarding. The Trust s exposure to Delphi Automotive Plc stock received in connection with the company s reorganization also added to performance.

Detracting from performance was the Trust s tactical allocations to bank loans and investment grade credit, which underperformed relative to high yield debt in the risk asset rally. Exposure to select lower- and non-rated names in the high yield market hurt performance, as did security selection in the paper, metals & mining and non-cable media sectors.

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

The period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term panacea for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

Given these developments, the Trust maintained its higher-quality income-oriented bias, but started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Trust continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits (i.e., those with higher sensitivity to market volatility) and the more cyclical sectors.

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

At period end, the Trust held 77% of its total portfolio in corporate bonds, 15% in floating rate loan interests (bank loans), with the remainder in common stocks, preferred stocks and other interests. The Trust s largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Trust ended the period with economic leverage at 24% of its total managed assets.

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



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

|  |              |
|--|--------------|
| Symbol on NYSE   | HYT          |
| Initial Offering Date  | May 30, 2003 |
| Yield on Closing Market Price as of February 29, 2012 (\$12.44) <sup>1</sup> | 8.05%        |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.0835     |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$1.0020     |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                       | 24%          |

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

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

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the 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:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$12.44 | \$11.21 | 10.97% | \$12.67 | \$ 9.95 |
| Net Asset Value | \$12.13 | \$11.49 | 5.57%  | \$12.13 | \$10.72 |

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**

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 77%     | 79%     |
| Floating Rate Loan Interests | 15      | 13      |
| Common Stocks                | 6       | 3       |
| Preferred Stocks             | 2       | 2       |
| Other Interests              |         | 3       |

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

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 6       | 7%      |
| BB/Ba     | 38      | 35      |
| B         | 43      | 45      |
| CCC/Caa   | 11      | 11      |
| D         |         | 1       |
| Not Rated | 1       | 1       |

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





Trust Summary as of February 29, 2012

**BlackRock High Income Shares**

### **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.

### **Portfolio Management Commentary**

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

For the six months ended February 29, 2012, the Trust returned 16.70% based on market price and 8.54% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 13.38% based on market price and 10.05% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

The Trust delivered strong returns for the six-month period as risk assets rallied. High yield debt posted solid gains, outpacing government, emerging market and investment grade corporate sectors. Across the high yield credit spectrum, security selection in the higher-quality tiers boosted the Trust's returns. Among sectors, security selection in the consumer service and non-captive diversified financials was rewarding. The Trust's exposure to preferred stock also added to performance.

Detracting from performance was the Trust's tactical allocations to bank loans and investment grade credit, which underperformed relative to high yield debt in the risk asset rally. Exposure to select mid-, lower- and non-rated names in the high yield market hurt performance, as did security selection in the paper, metals & mining and non-cable media sectors.

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

The period began with severe market volatility in reaction to headwinds from Europe's debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term panacea for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

Given these developments, the Trust maintained its higher-quality income-oriented bias, but started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Trust continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits (i.e., those with higher sensitivity to market volatility) and the more cyclical sectors.

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

At period end, the Trust held 81% of its total portfolio in corporate bonds, 16% in floating rate loan interests (bank loans), with the remainder in preferred securities and common stocks. The Trust's largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as gaming, building materials and technology. The Trust ended the period with economic leverage at 19% 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 High Income Shares****Trust Information**

|   |                 |
|---|-----------------|
| Symbol on NYSE  | HIS             |
| Initial Offering Date   | August 10, 1988 |
| Yield on Closing Market Price as of February 29, 2012 (\$2.32) <sup>1</sup> | 7.34%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.0142        |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.1704        |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                      | 19%             |

<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:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$ 2.32 | \$ 2.10 | 10.48% | \$ 2.35 | \$ 1.81 |
| Net Asset Value | \$ 2.24 | \$ 2.18 | 2.75%  | \$ 2.24 | \$ 2.04 |

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**

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 81%     | 83%     |
| Floating Rate Loan Interests | 16      | 14      |
| Preferred Securities         | 2       | 2       |
| Common Stocks                | 1       | 1       |

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

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 7       | 7%      |
| BB/Ba     | 38      | 34      |
| B         | 41      | 45      |
| CCC/Caa   | 12      | 12      |
| D         |         | 1       |
| Not Rated | 1       | 1       |

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



Trust Summary as of February 29, 2012

**BlackRock High Yield Trust**

### **Investment Objective**

**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.

### **Portfolio Management Commentary**

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

For the six months ended February 29, 2012, the Trust returned 13.56% based on market price and 10.07% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 13.38% based on market price and 10.05% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

The Trust delivered strong returns for the six-month period as risk assets rallied. High yield debt posted solid gains, outpacing government, emerging market and investment grade corporate sectors. Across the high yield credit spectrum, security selection in the higher-quality tiers and among non-rated investments boosted the Trust s returns. Among sectors, security selection in the consumer service and non-captive diversified financials was rewarding. The Trust s exposure to Delphi Automotive Plc stock received in connection with the company s reorganization also added to performance.

Detracting from performance was the Trust s tactical allocations to bank loans and investment grade credit, which underperformed relative to high yield debt in the risk asset rally. Exposure to select lower-rated names in the high yield market hurt performance, as did security selection in the paper and non-cable media sectors.

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

The period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term panacea for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

Given these developments, the Trust maintained its higher-quality income- oriented bias, but started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Trust continued to seek issuers with superior fundamentals (solid cash flows, earnings visibility and attractive downside protection), while generally remaining cautious of higher-beta credits (i.e., those with higher sensitivity to market volatility) and the more cyclical sectors.

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

At period end, the Trust held 79% of its total portfolio in corporate bonds, 16% in floating rate loan interests (bank loans), with the remainder in common stocks and other interests. The Trust s largest sector exposures included non-cable media, wireless and independent energy, while its portfolio holdings reflected less emphasis on the more cyclical segments of the market such as banking, building materials and technology. The Trust ended the period with economic leverage at 21% 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 29, 2012 (\$7.21) <sup>1</sup> | 7.24%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$ 0.0435         |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$ 0.5220         |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                      | 21%               |

<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:

|                 | 2/29/12 | 8/31/11 | Change | High   | Low    |
|-----------------|---------|---------|--------|--------|--------|
| Market Price    | \$7.21  | \$6.60  | 9.24%  | \$7.25 | \$5.92 |
| Net Asset Value | \$7.19  | \$6.79  | 5.89%  | \$7.19 | \$6.36 |

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**

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 79%     | 82%     |
| Floating Rate Loan Interests | 16      | 15      |
| Common Stocks                | 3       |         |
| Preferred Securities         | 2       | 1       |
| Other Interests              |         | 2       |

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

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| A         | 1%      |         |
| BBB/Baa   | 6       | 8%      |
| BB/Ba     | 40      | 35      |
| B         | 42      | 46      |
| CCC/Caa   | 9       | 9       |
| D         |         | 1       |
| Not Rated | 2       | 1       |



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

Trust Summary as of February 29, 2012

**BlackRock Income Opportunity Trust, Inc.**

### **Investment Objective**

**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.

### **Portfolio Management Commentary**

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

For the six months ended February 29, 2012, the Trust returned 12.86% based on market price and 8.48% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 8.84% based on market price and 5.79% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

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

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop conducive for credit spread compression. As a result, the Trust benefited from its allocations to investment grade credit and high yield corporate credit. Within corporate credit, relative value trading in industrials was additive to performance. The Trust also benefited from exposure to commercial mortgage-backed securities ( CMBS ), which outperformed most other securitized debt sectors. Finally, the Trust s duration stance (sensitivity to interest rate movements) contributed to returns as rates generally moved lower throughout the period.

The Trust actively traded exposure to financials within investment grade credit. Although these positions performed well toward period end, the overall effect was a drag on performance as European sovereign debt fear caused weakness in US financial names.

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

During the period, the Trust reduced its allocation to investment grade securities in the banking industry while increasing exposure to companies with strong cash flow and high earnings visibility in the energy and telecommunications space. Toward period end, the Trust increased its portfolio duration, primarily by adding exposure to US Treasury bonds.

#### **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, asset-backed securities and non-agency residential mortgage-backed securities ( MBS ). The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS. The Trust ended the reporting period with a long duration profile.

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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 29, 2012 (\$10.78) <sup>1</sup> | 5.90%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.053           |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.636           |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                       | 30%               |

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

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

<sup>3</sup> Represents 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:

|                 | 2/29/12 | 8/31/11 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$10.78 | \$ 9.85 | 9.44%  | \$10.81 | \$ 9.66 |
| Net Asset Value | \$11.33 | \$10.77 | 5.20%  | \$11.37 | \$10.68 |

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**

|   | 2/29/12 | 8/31/11 |
|---|---------|---------|
| Corporate Bonds                           | 52%     | 52%     |
| US Treasury Obligations                   | 24      | 16      |
| Non-Agency Mortgage-Backed Securities     | 10      | 12      |
| US Government Sponsored Agency Securities | 5       | 13      |
| Asset-Backed Securities                   | 4       | 4       |
| Foreign Agency Obligations                | 2       | 1       |
| Taxable Municipal Bonds                   | 2       | 1       |
| Preferred Securities                      | 1       | 1       |

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

|                      | 2/29/12 | 8/31/11 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 40%     | 40%     |
| AA/Aa                | 5       | 7       |
| A                    | 17      | 19      |
| BBB/Baa              | 18      | 16      |
| BB/Ba                | 8       | 7       |
| B                    | 9       | 9       |
| CCC/Caa              | 2       | 2       |
| Not Rated            | 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 were deemed AAA/Aaa by the investment advisor.

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Trust Summary as of February 29, 2012

**BlackRock Income Trust, Inc.****Investment Objective**

**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.

**Portfolio Management Commentary****How did the Trust perform?**

For the six months ended February 29, 2012, the Trust returned 8.48% based on market price and 3.29% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 5.62% based on market price and 4.03% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The agency mortgage-backed securities ( MBS ) sector exhibited elevated volatility during the period as debt problems in Europe weighed on market sentiment and the future of government policy on mortgage pre-payment remained uncertain. While these headwinds challenged the sector, the US Federal Reserve s MBS purchase program provided support, and agency MBS outperformed US Treasuries for the period. Given these market conditions, the Trust benefited from increasing its allocation to pre-payment-sensitive agency MBS during the fourth quarter of 2011 after spreads widened in the space due to increased policy risk. These purchases were focused on securities where the impact of the potential policy changes would be limited while their spread widening was commensurate with the rest of the sector. These holdings were significant contributors to the Trust s performance as they generated strong returns in the first two months of 2012.

Detracting slightly from performance were the Trust s interest rate hedges designed to protect the portfolio from market volatility. The Trust uses interest rate derivatives including futures, options, swaps and swaptions, mainly for the purpose of managing duration, convexity and yield curve positioning. During the period, the Trust held short positions in US Treasury futures in order to reduce the overall duration profile of the portfolio. These positions served as a drag on performance as the US Treasury market broadly advanced during the period.

**Describe recent portfolio activity.**

The Trust increased its allocation to agency MBS in the fourth quarter of 2011, as discussed above. Near the end of the period, the Trust took profits on these holdings. The sales were mainly among the lower-coupon securities, where the potential for their extension was greatest. The Trust maintained a strong level of yield by increasing exposure to pre-payment-sensitive securities. The Trust also maintained a limited exposure to commercial mortgage-backed securities ( CMBS ), which performed well later in the period. The Trust slightly reduced its small allocation to non-agency MBS.

**Describe portfolio positioning at period end.**

The backdrop for agency MBS appears constructive given the impact of the Federal Reserve s mortgage reinvestment program in curtailing net supply along with the pending conclusion of the US Treasury portfolio liquidation, subdued mortgage refinance and purchase activity, and the sector s attractive yields relative to other high-quality asset classes in a low interest rate environment. However, the extension potential for lower-coupon agency MBS remains high and, therefore, the Trust maintains a cautious stance. The Trust maintains exposure to high-quality agency MBS with varying maturities and coupon rates. The Trust also holds small allocations to non-agency MBS and CMBS. The Trust ended the reporting period with a slightly short duration profile.

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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 29, 2012 (\$7.55) <sup>1</sup> | 6.44%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                  | \$0.0405      |
| Current Annualized Distribution per Common Share <sup>2</sup>               | \$0.4860      |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                      | 24%           |

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

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

<sup>3</sup> Represents 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:

|                 | 2/29/12 | 8/31/11 | Change | High   | Low    |
|-----------------|---------|---------|--------|--------|--------|
| Market Price    | \$7.55  | \$7.18  | 5.15%  | \$7.58 | \$7.00 |
| Net Asset Value | \$7.97  | \$7.96  | 0.13%  | \$8.12 | \$7.95 |

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

**Portfolio Composition**

|   | 2/29/12 | 8/31/11 |
|---|---------|---------|
| US Government Sponsored Agency Securities | 82%     | 84%     |
| US Treasury Obligations                   | 15      | 12      |
| Non-Agency Mortgage-Backed Securities     | 2       | 3       |
| Asset-Backed Securities                   | 1       | 1       |

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

|                      | 2/29/12 | 8/31/11 |
|----------------------|---------|---------|
| AAA/Aaa <sup>5</sup> | 100%    | 100%    |

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

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



Trust Summary as of February 29, 2012

**BlackRock Strategic Bond Trust****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.

**Portfolio Management Commentary****How did the Trust perform?**

For the six months ended February 29, 2012, the Trust returned 12.07% based on market price and 10.13% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 13.38% based on market price and 10.05% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Security selection among higher-quality credit instruments had a positive impact on the Trust s performance. While the surge in risk assets benefited overall performance, the Trust s tactical exposure to equity securities was particularly helpful as equities outperformed high yield bonds, bank loans and investment grade credits amid improving investor demand for riskier assets over the six-month period.

The Trust differs from its Lipper category competitors, which invest primarily in high yield bonds, in that the Trust also invests in floating rate loan interests (bank loans) and investment grade credits. While the Trust s allocations to bank loans and investment grade credit did not detract from performance on an absolute basis, these asset classes underperformed high yield bonds for the period.

**Describe recent portfolio activity.**

In the early part of the period, as the outlook for global growth worsened and the potential for further spreading of the ongoing debt crisis in Europe increased, the Trust shifted its positioning to a more conservative posture. Specifically, the Trust reduced positions in the more cyclical credits and increased exposure to market sectors with more stable cash flows.

However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term panacea for the financial markets and mitigated the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets. Given these developments, the Trust maintained its higher-quality income-oriented bias, but started selectively adding back some risk in names with appealing risk-reward characteristics. Despite this modest shift to risk-on, the Trust continued to seek issuers with superior fundamentals while avoiding higher-beta credits (i.e., those with higher sensitivity to market volatility) and the more economically sensitive areas of the market.

**Describe portfolio positioning at period end.**

At period end, the Trust held 82% of its total portfolio in corporate bonds, 14% in floating rate loan interests (bank loans), with the remainder in other interests, preferred securities and US Treasury Obligations. The Trust s largest sector exposures included non-cable media, independent energy and wireless. The Trust ended the period with economic leverage at 20% 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 29, 2012 (\$13.87) <sup>1</sup> | 7.31%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$ 0.0845         |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$ 1.0140         |
| Economic Leverage as of February 29, 2012 <sup>3</sup>                       | 20%               |

- <sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- <sup>2</sup> The distribution rate is not constant and is subject to change.
- <sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the 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:

|                 | 2/29/12  | 8/31/11  | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 13.87 | \$ 12.93 | 7.27%  | \$ 13.88 | \$ 11.86 |
| Net Asset Value | \$ 14.21 | \$ 13.48 | 5.42%  | \$ 14.21 | \$ 12.72 |

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

|                              | 2/29/12 | 8/31/11 |
|------------------------------|---------|---------|
| Corporate Bonds              | 82%     | 85%     |
| Floating Rate Loan Interests | 14      | 12      |
| Other Interests              | 2       | 2       |
| Preferred Securities         | 1       | 1       |
| US Treasury Obligations      | 1       |         |

Credit Quality Allocations<sup>4</sup>

|           | 2/29/12 | 8/31/11 |
|-----------|---------|---------|
| AA/Aa     | 2%      | 3%      |
| A         | 13      | 13      |
| BBB/Baa   | 17      | 16      |
| BB/Ba     | 33      | 26      |
| B         | 29      | 34      |
| CCC/Caa   | 5       | 6       |
| D         |         | 1       |
| Not Rated | 1       | 1       |

- <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 of their common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

The Trusts may utilize leverage by borrowing through a credit facility 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 Trust's shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Trust pays 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' NAVs positively or negatively in addition to the impact on Trust performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Trusts, 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, the Trusts' 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, as amended (the 1940 Act ), the Trusts are permitted to issue senior securities representing indebtedness up to 33 $\frac{1}{3}$ % of their total managed assets (each Trust's net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of February 29, 2012, the Trusts had aggregate economic leverage from reverse repurchase agreements, treasury roll transactions and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

**Percent of  
Economic**

|     | <b>Leverage</b> |
|-----|-----------------|
| BHK | 29%             |
| HYV | 24%             |
| HYT | 24%             |
| HIS | 19%             |
| BHY | 21%             |
| BNA | 30%             |
| BKT | 24%             |
| BHD | 20%             |

### Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate, foreign currency exchange rate and/or other risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a 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 29, 2012 (Unaudited)

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

| Asset-Backed Securities  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Asset-Backed Securities 6.1%</b>  |              |            |
| 321 Henderson Receivables I LLC, Series 2010-3A,<br>Class A, 3.82%, 12/15/48 (a)         | USD 808      | \$ 814,447 |
| AH Mortgage Advance Trust, Series SART-3,<br>Class 1A1, 2.98%, 3/13/43 (a)               | 630          | 624,706    |
| AmeriCredit Automobile Receivables Trust,<br>Series 2011-5, Class C, 3.44%, 10/08/17     | 400          | 409,022    |
| CarMax Auto Owner Trust:   |              |            |
| Series 2012-1, Class B, 1.76%, 8/15/17   | 210          | 209,783    |
| Series 2012-1, Class C, 2.20%, 10/16/17  | 125          | 124,845    |
| Series 2012-1, Class D, 3.09%, 8/15/18   | 155          | 154,815    |
| CenterPoint Energy Transition Bond Co. LLC,<br>Series 2012-1, Class A3, 3.03%, 10/15/25  | 1,105        | 1,118,781  |
| Countrywide Asset-Backed Certificates,<br>Series 2006-13, Class 3AV2, 0.39%, 1/25/37 (b) | 1,153        | 793,063    |
| Credit Acceptance Auto Loan Trust, Series 2010-1,<br>Class B, 3.63%, 10/15/18 (a)        | 1,980        | 1,984,470  |
| DT Auto Owner Trust (a):   |              |            |
| Series 2011-2A, Class C, 3.05%, 2/16/16  | 1,500        | 1,498,858  |
| Series 2011-3A, Class C, 4.03%, 2/15/17  | 255          | 257,829    |
| Ford Credit Floorplan Master Owner Trust:  |              |            |
| Series 2012-1, Class B, 1.15%, 1/15/16 (b)   | 180          | 180,002    |
| Series 2012-1, Class C, 1.75%, 1/15/16 (b)   | 475          | 475,004    |
| Series 2012-1, Class D, 2.35%, 1/15/16 (b)   | 445          | 445,003    |
| Series 2012-2, Class B, 2.32%, 1/15/19   | 245          | 245,023    |
| Series 2012-2, Class C, 2.86%, 1/15/19   | 105          | 104,921    |
| Series 2012-2, Class D, 3.51%, 1/15/19   | 200          | 199,843    |
| Globaldrive BV, Series 2008-2, Class A, 4.00%,<br>10/20/16                               | EUR 234      | 314,378    |
| Home Equity Asset Trust, Series 2007-2, Class 2A1,<br>0.35%, 7/25/37 (b)                 | USD 120      | 117,302    |
| Nelnet Student Loan Trust (b):   |              |            |
| Series 2006-1, Class A5, 0.60%, 8/23/27  | 525          | 488,049    |
| Series 2008-3, Class A4, 2.14%, 11/25/24   | 615          | 634,037    |
| PFS Financing Corp., Series 2012-AA, Class A, 1.46%,<br>2/15/16 (a)(b)                   | 480          | 480,000    |
| Santander Consumer Acquired Receivables Trust (a):                                       |              |            |
| Series 2011-S1A, Class B, 1.66%, 8/15/16   | 596          | 596,319    |
| Series 2011-S1A, Class C, 2.01%, 8/15/16   | 437          | 432,086    |
| Series 2011-S1A, Class D, 3.15%, 8/15/16   | 452          | 451,249    |
| Series 2011-WO, Class C, 3.19%, 10/15/15   | 580          | 579,242    |
| Santander Drive Auto Receivables Trust:  |              |            |
| Series 2010-2, Class B, 2.24%, 12/15/14  | 860          | 863,669    |
| Series 2010-2, Class C, 3.89%, 7/17/17   | 1,010        | 1,021,202  |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)   | 700          | 704,040    |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)  | 740          | 735,407    |
| Series 2011-1, Class D, 4.01%, 2/15/17   | 940          | 944,687    |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)   | 357          | 354,894    |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)   | 388          | 384,887    |
| Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)   | 919          | 919,399    |
| Series 2012-1, Class B, 2.72%, 5/16/16   | 240          | 240,290    |

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|   |     |         |
|---|-----|---------|
| Series 2012-1, Class C, 3.78%, 11/15/17 | 325 | 325,521 |
|---|-----|---------|

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Asset-Backed Securities</b>  |              |            |
| <b>Asset-Backed Securities (concluded)</b>                                      |              |            |
| SLM Student Loan Trust:   |              |            |
| Series 2004-B, Class A2, 0.75%, 6/15/21 (b)                                     | USD 213      | \$ 204,187 |
| Series 2008-5, Class A3, 1.86%, 1/25/18 (b)                                     | 515          | 523,075    |
| Series 2008-5, Class A4, 2.26%, 7/25/23 (b)                                     | 615          | 629,850    |
| Series 2012-A, Class A1, 1.66%, 8/15/25 (a)(b)                                  | 380          | 380,085    |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (a)                                     | 345          | 345,338    |
| Small Business Administration, Class 1:   |              |            |
| Series 2003-P10B, 5.14%, 8/10/13  | 262          | 273,767    |
| Series 2004-P10B, 4.75%, 8/10/14  | 174          | 184,522    |
| Structured Asset Securities Corp., Series 2002-AL1,<br>Class A2, 3.45%, 2/25/32 | 1,406        | 1,283,799  |
|   |              | 24,051,696 |
| <b>Interest Only Asset-Backed Securities 0.2%</b>                               |              |            |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (a)           | 4,107        | 318,310    |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29                                  | 6,359        | 492,822    |
|   |              | 811,132    |
| <b>Total Asset-Backed Securities 6.3%</b>                                       |              | 24,862,828 |

|                                       | Shares |   |
|---------------------------------------|--------|---|
| <b>Common Stocks (c) 0.0%</b>         |        |   |
| <b>Software 0.0%</b>                  |        |   |
| Bankruptcy Management Solutions, Inc. | 135    | 3 |

|   | Par<br>(000) |           |
|---|--------------|-----------|
| <b>Corporate Bonds</b>  |              |           |
| <b>Aerospace &amp; Defense 0.6%</b>                                   |              |           |
| United Technologies Corp.:  |              |           |
| 4.88%, 5/01/15  | USD 1,125    | 1,263,058 |
| 6.13%, 7/15/38  | 700          | 929,554   |
|   |              | 2,192,612 |
| <b>Airlines 0.3%</b>  |              |           |
| Continental Airlines, Inc., Series 2010-1, Class B,<br>6.00%, 7/12/20 |              |           |
|   | 672          | 651,508   |
| United Air Lines, Inc., 12.75%, 7/15/12                               | 334          | 345,594   |
|   |              | 997,102   |
| <b>Auto Components 0.1%</b>   |              |           |
| BorgWarner, Inc., 4.63%, 9/15/20                                      | 265          | 284,247   |
| <b>Beverages 0.1%</b>   |              |           |
| Crown European Holdings SA, 7.13%, 8/15/18 (a)                        | EUR 355      | 506,665   |
| <b>Building Products 0.1%</b>   |              |           |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16            | USD 510      | 428,400   |

**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:

**AUD** Australian Dollar



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|                |   |
|----------------|---|
| <b>CAD</b>     | Canadian Dollar                         |
| <b>CHF</b>     | Swiss Franc                             |
| <b>ETF</b>     | Exchange-Traded Fund                    |
| <b>EUR</b>     | Euro                                    |
| <b>EURIBOR</b> | Euro Interbank Offered Rate             |
| <b>FKA</b>     | Formerly Known As                       |
| <b>GBP</b>     | British Pound                           |
| <b>JPY</b>     | Japanese Yen                            |
| <b>LIBOR</b>   | London Interbank Offered Rate           |
| <b>NZD</b>     | New Zealand Dollar                      |
| <b>PHP</b>     | Philippine Peso                         |
| <b>RB</b>      | Revenue Bonds                           |
| <b>SGD</b>     | Singapore Dollar                        |
| <b>SPDR</b>    | Standard and Poor's Depository Receipts |
| <b>USD</b>     | US Dollar                               |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                 |              |            |
| <b>Capital Markets 5.6%</b>                            |              |            |
| American Capital Ltd., 8.96%, 12/31/13 (d)             | USD 720      | \$ 733,349 |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)               | 2,935        | 3,549,838  |
| Credit Suisse AG:                                      |              |            |
| 2.60%, 5/27/16 (a)                                     | 570          | 583,207    |
| 5.40%, 1/14/20   | 1,565        | 1,572,146  |
| E*Trade Financial Corp., 12.50%, 11/30/17              | 1,570        | 1,829,050  |
| Goldman Sachs Group, Inc.:                             |              |            |
| 5.38%, 3/15/20   | 1,220        | 1,250,169  |
| 5.25%, 7/27/21   | 3,165        | 3,170,171  |
| 5.75%, 1/24/22   | 3,450        | 3,601,248  |
| Morgan Stanley:  |              |            |
| 3.01%, 5/14/13 (b)                                     | 1,890        | 1,892,682  |
| 4.20%, 11/20/14  | 490          | 491,830    |
| 4.00%, 7/24/15   | 410          | 410,372    |
| 6.25%, 8/28/17   | 1,930        | 2,023,202  |
| 5.63%, 9/23/19   | 630          | 629,901    |
| 5.50%, 7/28/21   | 360          | 356,676    |
|  |              | 22,093,841 |
| <b>Chemicals 0.5%</b>                                  |              |            |
| American Pacific Corp., 9.00%, 2/01/15                 | 250          | 243,750    |
| The Dow Chemical Co., 4.13%, 11/15/21                  | 350          | 372,474    |
| Ineos Finance Plc, 8.38%, 2/15/19 (a)                  | 265          | 281,562    |
| Lyondell Chemical Co., 11.00%, 5/01/18                 | 680          | 745,450    |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (a)      | 240          | 263,400    |
|  |              | 1,906,636  |
| <b>Commercial Banks 5.4%</b>                           |              |            |
| CIT Group, Inc. (a):                                   |              |            |
| 7.00%, 5/02/16   | 110          | 110,138    |
| 7.00%, 5/02/17   | 1,035        | 1,036,294  |
| DEPFA ACS Bank, 5.13%, 3/16/37 (a)                     | 3,775        | 2,638,178  |
| Discover Bank, 8.70%, 11/18/19                         | 250          | 300,923    |
| DnB NOR Boligkreditt (a):                              |              |            |
| 2.10%, 10/14/16  | 4,020        | 4,062,712  |
| 2.90%, 3/29/17   | 2,600        | 2,694,936  |
| Ekspportfinans ASA, 5.50%, 6/26/17                     | 950          | 911,884    |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%, 5/11/16 (a) | 1,400        | 1,393,000  |
| HSBC Bank Plc, 3.10%, 5/24/16 (a)                      | 700          | 716,034    |
| HSBC Holdings Plc, 6.10%, 1/14/42                      | 305          | 363,539    |
| Sparebanken 1 Boligkreditt (a):                        |              |            |
| 1.25%, 10/25/14  | 1,580        | 1,581,657  |
| 2.63%, 5/27/17   | 1,675        | 1,714,687  |
| Wachovia Corp., 5.25%, 8/01/14                         | 3,425        | 3,697,606  |
|  |              | 21,221,588 |
| <b>Commercial Services &amp; Supplies 0.1%</b>         |              |            |
| ARAMARK Corp., 8.50%, 2/01/15                          | 18           | 18,473     |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)        | 136          | 141,702    |
| Mobile Mini, Inc., 7.88%, 12/01/20                     | 320          | 336,000    |
|  |              | 496,175    |
| <b>Construction &amp; Engineering 0.1%</b>             |              |            |
| Abengoa SA, 8.50%, 3/31/16                             | EUR 150      | 204,881    |
| <b>Construction Materials 0.0%</b>                     |              |            |
| Lafarge SA, 7.13%, 7/15/36                             | USD 135      | 124,670    |

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**Consumer Finance 0.6%**

|   |     |           |
|---|-----|-----------|
| Ford Motor Credit Co. LLC:                  |     |           |
| 7.80%, 6/01/12                              | 340 | 344,191   |
| 5.88%, 8/02/21                              | 270 | 301,313   |
| SLM Corp.:                                  |     |           |
| 6.25%, 1/25/16                              | 661 | 690,745   |
| Series A, 0.86%, 1/27/14 (b)                | 550 | 523,388   |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 345 | 357,846   |
|   |     | 2,217,483 |

**Corporate Bonds**

**Containers & Packaging 0.6%**

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (a) | EUR 425      | \$ 597,370 |
| Smurfit Kappa Acquisitions (a):                      |              |            |
| 7.25%, 11/15/17                                      | 725          | 1,033,531  |
| 7.75%, 11/15/19                                      | 410          | 588,577    |
|  |              | 2,219,478  |

**Diversified Financial Services 7.3%**

|   |           |            |
|---|-----------|------------|
| Ally Financial, Inc.:                       |           |            |
| 8.30%, 2/12/15                              | USD 1,500 | 1,657,500  |
| 6.25%, 12/01/17                             | 160       | 165,379    |
| 8.00%, 3/15/20                              | 560       | 634,200    |
| Capital One Financial Corp., 4.75%, 7/15/21 | 960       | 1,012,109  |
| Citigroup, Inc.:                            |           |            |
| 5.00%, 9/15/14                              | 285       | 296,700    |
| 4.59%, 12/15/15                             | 6,390     | 6,768,141  |
| General Electric Capital Corp.:             |           |            |
| 2.13%, 12/21/12 (e)                         | 515       | 522,987    |
| 6.15%, 8/07/37 (e)                          | 4,150     | 4,682,055  |
| 6.88%, 1/10/39                              | 135       | 166,638    |
| JPMorgan Chase & Co.:                       |           |            |
| 3.70%, 1/20/15 (e)                          | 3,425     | 3,636,209  |
| 6.30%, 4/23/19                              | 2,000     | 2,351,116  |
| 4.50%, 1/24/22                              | 750       | 796,909    |
| Series BKNT, 6.00%, 10/01/17                | 2,050     | 2,300,188  |
| Reynolds Group Issuer, Inc. (a):            |           |            |
| 7.75%, 10/15/16                             | EUR 550   | 778,563    |
| 7.88%, 8/15/19                              | USD 660   | 722,700    |
| 6.88%, 2/15/21                              | 1,215     | 1,287,900  |
| WMG Acquisition Corp. (a):                  |           |            |
| 9.50%, 6/15/16                              | 160       | 176,800    |
| 11.50%, 10/01/18                            | 785       | 834,062    |
|   |           | 28,790,156 |

**Diversified Telecommunication Services 2.9%**

|   |       |            |
|---|-------|------------|
| Level 3 Financing, Inc. (a):                                |       |            |
| 8.13%, 7/01/19  | 698   | 731,155    |
| 8.63%, 7/15/20  | 740   | 789,950    |
| Qwest Communications International, Inc., 7.50%,<br>2/15/14 | 1,200 | 1,204,200  |
| Telecom Italia Capital SA:                                  |       |            |
| 4.95%, 9/30/14  | 1,075 | 1,084,406  |
| 6.00%, 9/30/34  | 1,550 | 1,290,375  |
| Verizon Communications, Inc.:                               |       |            |
| 3.50%, 11/01/21   | 500   | 523,076    |
| 6.40%, 2/15/38  | 3,483 | 4,364,011  |
| 8.95%, 3/01/39  | 900   | 1,426,869  |
| Windstream Corp., 7.88%, 11/01/17                           | 40    | 45,100     |
|   |       | 11,459,142 |

**Electric Utilities 5.7%**

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|   |       |           |
|---|-------|-----------|
| Alabama Power Co.:                                |       |           |
| 3.95%, 6/01/21                                    | 460   | 499,779   |
| 6.00%, 3/01/39                                    | 1,275 | 1,647,876 |
| The Cleveland Electric Illuminating Co.:          |       |           |
| 8.88%, 11/15/18                                   | 121   | 161,070   |
| 5.95%, 12/15/36                                   | 217   | 238,477   |
| Constellation Energy Group, Inc., 7.60%, 4/01/32  | 200   | 267,491   |
| Duke Energy Carolinas LLC:                        |       |           |
| 6.10%, 6/01/37                                    | 315   | 399,949   |
| 6.00%, 1/15/38                                    | 825   | 1,084,208 |
| 4.25%, 12/15/41                                   | 375   | 395,793   |
| E.ON International Finance BV, 6.65%, 4/30/38 (a) | 1,525 | 1,997,058 |
| EDF SA, 5.60%, 1/27/40 (a)                        | 1,400 | 1,490,042 |
| Florida Power Corp.:                              |       |           |
| 6.35%, 9/15/37                                    | 1,325 | 1,785,846 |
| 6.40%, 6/15/38                                    | 430   | 585,411   |
| Jersey Central Power & Light Co., 7.35%, 2/01/19  | 245   | 310,546   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>   |     |              |              |
| <b>Electric Utilities (concluded)</b>                          |     |              |              |
| Ohio Power Co., Series D, 6.60%, 3/01/33                       | USD | 1,500        | \$ 1,893,546 |
| PacifiCorp., 6.25%, 10/15/37                                   |     | 575          | 762,992      |
| Public Service Co. of Colorado, 6.25%, 9/01/37                 |     | 1,200        | 1,614,450    |
| Southern California Edison Co.:                                |     |              |              |
| 5.63%, 2/01/36   |     | 625          | 782,376      |
| Series 08-A, 5.95%, 2/01/38                                    |     | 1,075        | 1,414,934    |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14             | EUR | 1,350        | 1,680,796    |
| The Toledo Edison Co., 6.15%, 5/15/37                          | USD | 350          | 413,908      |
| Trans-Allegheny Interstate Line Co., 4.00%,<br>1/15/15 (a)     |     | 250          | 264,907      |
| Virginia Electric and Power Co., Series A, 6.00%,<br>5/15/37   |     | 2,000        | 2,581,362    |
|  |     |              | 22,272,817   |
| <b>Energy Equipment &amp; Services 2.8%</b>                    |     |              |              |
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)(e)                    |     | 565          | 565,000      |
| EnSCO Plc:   |     |              |              |
| 3.25%, 3/15/16   |     | 160          | 166,976      |
| 4.70%, 3/15/21   |     | 1,745        | 1,910,543    |
| Frac Tech Services LLC, 7.63%, 11/15/18 (a)                    |     | 1,110        | 1,184,925    |
| Noble Holding International Ltd., 5.25%, 3/15/42               |     | 350          | 370,145      |
| Peabody Energy Corp., 6.25%, 11/15/21 (a)                      |     | 3,845        | 4,027,637    |
| Pride International, Inc., 6.88%, 8/15/20                      |     | 230          | 280,173      |
| Transocean, Inc.:  |     |              |              |
| 5.05%, 12/15/16  |     | 850          | 929,948      |
| 6.50%, 11/15/20  |     | 350          | 408,186      |
| 6.38%, 12/15/21  |     | 840          | 991,326      |
|  |     |              | 10,834,859   |
| <b>Food &amp; Staples Retailing 0.9%</b>                       |     |              |              |
| Wal-Mart Stores, Inc.:   |     |              |              |
| 6.50%, 8/15/37   |     | 1,900        | 2,585,685    |
| 6.20%, 4/15/38 (e)   |     | 850          | 1,120,925    |
|  |     |              | 3,706,610    |
| <b>Food Products 1.0%</b>                                      |     |              |              |
| Darling International, Inc., 8.50%, 12/15/18                   |     | 335          | 376,875      |
| Kraft Foods, Inc., 5.38%, 2/10/20                              |     | 3,000        | 3,497,868    |
|  |     |              | 3,874,743    |
| <b>Health Care Equipment &amp; Supplies 0.9%</b>               |     |              |              |
| Boston Scientific Corp., 6.25%, 11/15/15                       |     | 1,251        | 1,390,957    |
| DJO Finance LLC:   |     |              |              |
| 10.88%, 11/15/14   |     | 810          | 824,175      |
| 7.75%, 4/15/18   |     | 735          | 632,100      |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (a) |     | 152          | 168,340      |
| Teleflex, Inc., 6.88%, 6/01/19                                 |     | 385          | 414,837      |
|  |     |              | 3,430,409    |
| <b>Health Care Providers &amp; Services 2.2%</b>               |     |              |              |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                  |     | 175          | 178,937      |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)                  | EUR | 494          | 682,837      |
| HCA, Inc.:   |     |              |              |

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|   |     |       |           |
|---|-----|-------|-----------|
| 6.50%, 2/15/20  | USD | 2,115 | 2,268,337 |
| 7.88%, 2/15/20  |     | 135   | 148,838   |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (a) |     | 850   | 886,125   |
| IASIS Healthcare LLC, 8.38%, 5/15/19                      |     | 1,000 | 955,000   |
| INC Research LLC, 11.50%, 7/15/19 (a)                     |     | 545   | 523,200   |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a)                |     | 155   | 141,050   |
| Omnicare, Inc., 7.75%, 6/01/20                            |     | 805   | 896,569   |
| Symbion, Inc., 8.00%, 6/15/16                             |     | 455   | 439,075   |
| Tenet Healthcare Corp.:                                   |     |       |           |
| 10.00%, 5/01/18   |     | 200   | 233,000   |
| 8.88%, 7/01/19  |     | 1,150 | 1,311,000 |
| UnitedHealth Group, Inc., 3.38%, 11/15/21                 |     | 160   | 168,580   |
|   |     |       | 8,832,548 |

|  | Par<br>(000) | Value              |
|--|--------------|--------------------|
| <b>Corporate Bonds</b>   |              |                    |
| <b>Health Care Technology 0.8%</b>                               |              |                    |
| Amgen, Inc.:   |              |                    |
| 3.88%, 11/15/21  | USD          | 1,500 \$ 1,558,739 |
| 6.40%, 2/01/39   |              | 750 896,546        |
| 5.15%, 11/15/41  |              | 750 784,909        |
|  |              | 3,240,194          |
| <b>Hotels, Restaurants &amp; Leisure 0.6%</b>                    |              |                    |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (a)                        |              | 180 171,450        |
| MGM Resorts International, 11.13%, 11/15/17                      |              | 265 301,438        |
| Punch Taverns Finance B Ltd., Series A7, 4.77%,<br>6/30/33       | GBP          | 1,721 1,964,615    |
|  |              | 2,437,503          |
| <b>Household Durables 0.9%</b>                                   |              |                    |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                         | USD          | 1,050 1,144,500    |
| Standard Pacific Corp., 10.75%, 9/15/16                          |              | 2,100 2,412,375    |
|  |              | 3,556,875          |
| <b>Household Products 0.1%</b>                                   |              |                    |
| Ontex IV SA, 7.50%, 4/15/18 (a)                                  | EUR          | 190 232,886        |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.6%</b> |              |                    |
| Energy Future Holdings Corp., 10.00%, 1/15/20                    | USD          | 1,425 1,540,781    |
| Energy Future Intermediate Holding Co. LLC,<br>10.00%, 12/01/20  |              | 742 805,998        |
|  |              | 2,346,779          |
| <b>Industrial Conglomerates 0.7%</b>                             |              |                    |
| Sequa Corp. (a):   |              |                    |
| 11.75%, 12/01/15   |              | 690 733,125        |
| 13.50%, 12/01/15   |              | 1,940 2,071,368    |
|  |              | 2,804,493          |
| <b>Insurance 2.5%</b>  |              |                    |
| Allianz Finance II BV, 5.75%, 7/08/41 (b)                        | EUR          | 500 633,705        |
| American International Group, Inc., 5.45%, 5/18/17               | USD          | 800 850,281        |
| AXA SA, 5.25%, 4/16/40 (b)                                       | EUR          | 250 279,985        |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)                    | USD          | 478 514,447        |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)              |              | 820 804,094        |
| Hartford Financial Services Group, Inc., 6.00%,<br>1/15/19       |              | 345 368,167        |
| Hartford Life Global Funding Trusts, 0.73%,<br>6/16/14 (b)       |              | 425 402,955        |
| Lincoln National Corp., 6.25%, 2/15/20                           |              | 630 722,091        |
| Manulife Financial Corp., 3.40%, 9/17/15                         |              | 1,630 1,696,700    |
| Metropolitan Life Global Funding I, 5.13%,<br>6/10/14 (a)        |              | 775 836,546        |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                |              | 340 303,450        |

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|   |     |       |            |
|---|-----|-------|------------|
| Muenchener Rueckversicherungs AG, 6.00%,<br>5/26/41 (b) | EUR | 200   | 270,465    |
| <b>Prudential Financial, Inc.:</b>                      |     |       |            |
| 7.38%, 6/15/19  | USD | 250   | 309,444    |
| 5.38%, 6/21/20  |     | 250   | 282,002    |
| 4.50%, 11/15/20   |     | 450   | 479,050    |
| 5.70%, 12/14/36   |     | 675   | 728,359    |
| Series D, 5.90%, 3/17/36                                |     | 500   | 549,010    |
|   |     |       | 10,030,751 |
| <b>IT Services 0.8%</b>                                 |     |       |            |
| <b>First Data Corp. (a):</b>                            |     |       |            |
| 7.38%, 6/15/19  |     | 205   | 207,306    |
| 8.25%, 1/15/21  |     | 80    | 77,400     |
| <b>SunGard Data Systems, Inc.:</b>                      |     |       |            |
| 7.38%, 11/15/18   |     | 1,080 | 1,161,000  |
| 7.63%, 11/15/20   |     | 1,730 | 1,868,400  |
|   |     |       | 3,314,106  |

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)

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Machinery 0.5%</b>  |              |            |
| Joy Global, Inc., 5.13%, 10/15/21                                    | USD 225      | \$ 247,153 |
| Navistar International Corp.:  |              |            |
| 3.00%, 10/15/14 (f)  | 518          | 583,397    |
| 8.25%, 11/01/21  | 14           | 15,312     |
| UR Financing Escrow Corp. (a)(g):                                    |              |            |
| 5.75%, 7/15/18   | 194          | 199,335    |
| 7.38%, 5/15/20   | 495          | 507,994    |
| 7.63%, 4/15/22   | 452          | 467,820    |
|  |              | 2,021,011  |
| <b>Marine 0.3%</b>   |              |            |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)                         | 1,050        | 1,128,750  |
| <b>Media 8.7%</b>  |              |            |
| Affinion Group, Inc., 7.88%, 12/15/18                                | 1,045        | 935,275    |
| AMC Networks, Inc., 7.75%, 7/15/21 (a)                               | 320          | 356,800    |
| CBS Corp.:   |              |            |
| 4.63%, 5/15/18   | 810          | 874,123    |
| 8.88%, 5/15/19   | 325          | 433,344    |
| 5.75%, 4/15/20   | 250          | 287,944    |
| CCH II LLC, 13.50%, 11/30/16   | 2,300        | 2,645,432  |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21                | 680          | 625,600    |
| Clear Channel Worldwide Holdings, Inc., Series B,<br>9.25%, 12/15/17 | 2,172        | 2,389,200  |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22      | 600          | 887,318    |
| Comcast Corp., 6.45%, 3/15/37  | 790          | 986,479    |
| Cox Communications, Inc., 8.38%, 3/01/39 (a)                         | 905          | 1,279,889  |
| Cox Enterprises, Inc.:   |              |            |
| Loan Close 2, 4.00%, 8/15/18   | 963          | 977,628    |
| Loan Close 3, 4.00%, 8/15/18   | 1,102        | 1,117,709  |
| Shares Loan, 4.00%, 8/15/18  | 1,136        | 1,152,751  |
| DIRECTV Holdings LLC, 6.38%, 3/01/41                                 | 260          | 312,960    |
| Gray Television, Inc., 10.50%, 6/29/15                               | 1,055        | 1,114,344  |
| Intelsat Luxembourg SA:  |              |            |
| 11.25%, 6/15/16  | 450          | 475,875    |
| 11.25%, 2/04/17  | 520          | 536,250    |
| 11.50%, 2/04/17 (h)  | 415          | 427,450    |
| Interactive Data Corp., 10.25%, 8/01/18                              | 1,330        | 1,499,575  |
| NBC Universal Media LLC:   |              |            |
| 5.15%, 4/30/20   | 1,983        | 2,292,812  |
| 4.38%, 4/01/21   | 1,015        | 1,111,845  |
| The New York Times Co., 6.63%, 12/15/16                              | 1,800        | 1,876,500  |
| News America, Inc.:  |              |            |
| 4.50%, 2/15/21   | 40           | 43,122     |
| 7.63%, 11/30/28  | 385          | 460,393    |
| TCI Communications, Inc., 7.88%, 2/15/26                             | 610          | 804,450    |
| Time Warner Cable, Inc.:   |              |            |
| 7.30%, 7/01/38   | 930          | 1,195,128  |
| 5.88%, 11/15/40  | 465          | 528,001    |
| 5.50%, 9/01/41   | 920          | 1,012,976  |



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|   |     |       |            |
|---|-----|-------|------------|
| Time Warner, Inc.:  |     |       |            |
| 4.70%, 1/15/21  |     | 350   | 390,302    |
| 6.10%, 7/15/40  |     | 215   | 254,966    |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a) |     | 2,370 | 2,571,450  |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18                            |     | 525   | 572,250    |
| Ziggo Finance BV, 6.13%, 11/15/17 (a)                                       | EUR | 1,135 | 1,568,866  |
|   |     |       | 33,999,007 |

| Corporate Bonds   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Metals &amp; Mining 3.5%</b>                             |     |              |              |
| Alcoa, Inc., 5.40%, 4/15/21                                 | USD | 1,450        | \$ 1,509,501 |
| AngloGold Ashanti Holdings Plc, 5.38%, 4/15/20              |     | 245          | 252,252      |
| Barrick Gold Corp., 2.90%, 5/30/16                          |     | 1,690        | 1,781,390    |
| Barrick North America Finance LLC, 4.40%, 5/30/21           |     | 15           | 16,508       |
| Cliffs Natural Resources, Inc., 4.80%, 10/01/20             |     | 240          | 253,865      |
| Falconbridge Ltd., 6.20%, 6/15/35                           |     | 1,250        | 1,309,683    |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%, 3/01/22        |     | 540          | 537,419      |
| New World Resources NV, 7.88%, 5/01/18                      | EUR | 215          | 290,741      |
| Newcrest Finance Pty Ltd., 4.45%, 11/15/21 (a)              | USD | 475          | 487,131      |
| Novelis, Inc., 8.75%, 12/15/20                              |     | 4,120        | 4,593,800    |
| Teck Resources Ltd., 5.38%, 10/01/15                        |     | 2,359        | 2,631,266    |
|   |     |              | 13,663,556   |
| <b>Multiline Retail 0.4%</b>                                |     |              |              |
| Macy's Retail Holdings, Inc.:                               |     |              |              |
| 5.90%, 12/01/16   |     | 800          | 920,615      |
| 7.45%, 7/15/17  |     | 581          | 713,135      |
|   |     |              | 1,633,750    |
| <b>Oil, Gas &amp; Consumable Fuels 8.5%</b>                 |     |              |              |
| Anadarko Petroleum Corp.:                                   |     |              |              |
| 5.95%, 9/15/16  |     | 1,916        | 2,218,197    |
| 6.38%, 9/15/17  |     | 1,824        | 2,189,387    |
| Bill Barrett Corp., 9.88%, 7/15/16                          |     | 40           | 44,200       |
| BP Capital Markets Plc, 3.13%, 10/01/15                     |     | 330          | 353,344      |
| Burlington Resources Finance Co., 7.40%, 12/01/31           |     | 875          | 1,191,593    |
| Cenovus Energy, Inc., 6.75%, 11/15/39                       |     | 750          | 1,022,706    |
| Chesapeake Midstream Partners LP, 6.13%, 7/15/22 (a)        |     | 400          | 414,000      |
| ConocoPhillips Canada Funding Co., 5.95%, 10/15/36          |     | 535          | 669,913      |
| Crosstex Energy LP, 8.88%, 2/15/18                          |     | 130          | 141,050      |
| Devon Energy Corp., 7.95%, 4/15/32                          |     | 625          | 910,312      |
| El Paso Pipeline Partners Operating Co. LLC, 6.50%, 4/01/20 |     | 240          | 267,419      |
| EnCana Corp.:   |     |              |              |
| 6.50%, 8/15/34  |     | 670          | 757,430      |
| 6.63%, 8/15/37  |     | 700          | 819,783      |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                |     | 540          | 598,050      |
| Enterprise Products Operating LLC:                          |     |              |              |
| 6.13%, 10/15/39   |     | 700          | 835,938      |
| Series L, 6.30%, 9/15/17                                    |     | 575          | 679,820      |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (a)                  |     | 505          | 611,284      |
| Kinder Morgan Energy Partners LP:                           |     |              |              |
| 5.95%, 2/15/18  |     | 1,300        | 1,547,482    |
| 6.55%, 9/15/40  |     | 110          | 126,146      |
| 6.38%, 3/01/41  |     | 150          | 170,532      |
| Linn Energy LLC, 6.25%, 11/01/19 (a)                        |     | 590          | 589,263      |

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|  |       |           |
|--|-------|-----------|
| Marathon Petroleum Corp., 6.50%, 3/01/41 | 997   | 1,126,789 |
| MidAmerican Energy Co., 5.80%, 10/15/36  | 700   | 848,567   |
| MidAmerican Energy Holdings Co.:         |       |           |
| 5.95%, 5/15/37                           | 800   | 969,312   |
| 6.50%, 9/15/37                           | 1,900 | 2,462,212 |
| Nexen, Inc., 7.50%, 7/30/39              | 1,000 | 1,284,406 |
| Niska Gas Storage US LLC, 8.88%, 3/15/18 | 305   | 292,800   |
| Petrobras International Finance Co.:     |       |           |
| 3.88%, 1/27/16                           | 1,340 | 1,397,553 |
| 5.75%, 1/20/20                           | 1,725 | 1,897,500 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>   |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>               |              |              |
| Premier Oil Plc, 5.00%, 6/09/18 (a)                              | USD 1,900    | \$ 1,961,750 |
| Range Resources Corp., 5.75%, 6/01/21                            | 935          | 1,000,450    |
| Rockies Express Pipeline LLC, 3.90%, 4/15/15 (a)                 | 804          | 771,840      |
| Suncor Energy, Inc., 6.10%, 6/01/18                              | 1,750        | 2,134,933    |
| Western Gas Partners LP, 5.38%, 6/01/21                          | 710          | 757,591      |
| Woodside Finance, Ltd., 4.60%, 5/10/21 (a)                       | 205          | 214,411      |
|  |              | 33,277,963   |
| <b>Paper &amp; Forest Products 0.9%</b>                          |              |              |
| Boise Paper Holdings LLC:  |              |              |
| 9.00%, 11/01/17  | 430          | 473,000      |
| 8.00%, 4/01/20   | 210          | 230,475      |
| Clearwater Paper Corp., 10.63%, 6/15/16                          | 620          | 704,475      |
| International Paper Co.:   |              |              |
| 7.50%, 8/15/21   | 75           | 96,316       |
| 4.75%, 2/15/22   | 420          | 457,552      |
| 6.00%, 11/15/41  | 435          | 502,718      |
| NewPage Corp., 11.38%, 12/31/14 (c)(e)(i)                        | 430          | 259,075      |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                        | 670          | 683,400      |
|  |              | 3,407,011    |
| <b>Pharmaceuticals 0.6%</b>                                      |              |              |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                     | EUR 200      | 286,445      |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (a)                       | USD 620      | 678,125      |
| Teva Pharmaceutical Finance Co. BV, Series 2,<br>3.65%, 11/10/21 | 205          | 213,889      |
| Teva Pharmaceutical Finance IV BV, 3.65%,<br>11/10/21            | 1,000        | 1,043,362    |
|  |              | 2,221,821    |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                |              |              |
| ERP Operating LP, 4.63%, 12/15/21                                | 500          | 535,722      |
| Ventas Realty LP, 4.75%, 6/01/21                                 | 275          | 283,342      |
| Vornado Realty LP, 5.00%, 1/15/22                                | 1,185        | 1,249,283    |
|  |              | 2,068,347    |
| <b>Real Estate Management &amp; Development 0.3%</b>             |              |              |
| Realogy Corp. (a)(e):  |              |              |
| 7.88%, 2/15/19   | 434          | 420,980      |
| 7.63%, 1/15/20   | 520          | 536,900      |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                              | 305          | 321,743      |
|  |              | 1,279,623    |
| <b>Road &amp; Rail 0.6%</b>                                      |              |              |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40                 | 950          | 1,151,968    |
| Florida East Coast Railway Corp., 8.13%, 2/01/17                 | 490          | 494,900      |
| The Hertz Corp., 7.38%, 1/15/21                                  | 650          | 703,625      |
|  |              | 2,350,493    |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.1%</b>     |              |              |
| Spansion LLC, 7.88%, 11/15/17                                    | 390          | 383,175      |
| <b>Software 0.2%</b>   |              |              |
| Oracle Corp., 5.38%, 7/15/40                                     | 775          | 942,406      |
| <b>Specialty Retail 0.3%</b>                                     |              |              |

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|                                   |     |           |
|-----------------------------------|-----|-----------|
| Home Depot, Inc., 5.88%, 12/16/36 | 830 | 1,038,021 |
| QVC, Inc. (a):                    |     |           |
| 7.50%, 10/01/19                   | 35  | 38,850    |
| 7.38%, 10/15/20                   | 35  | 38,763    |
|                                   |     | 1,115,634 |

| Corporate Bonds                                 | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Thriffs &amp; Mortgage Finance 0.6%</b>      |              |             |
| Northern Rock Plc, 5.63%, 6/22/17 (a)           | USD 290      | \$ 308,892  |
| Radian Group, Inc.:                             |              |             |
| 5.63%, 2/15/13                                  | 1,400        | 1,211,000   |
| 5.38%, 6/15/15                                  | 1,400        | 1,029,000   |
|   |              | 2,548,892   |
| <b>Wireless Telecommunication Services 2.1%</b> |              |             |
| America Movil SAB de CV, 2.38%, 9/08/16         | 795          | 811,760     |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (a)     | 1,560        | 1,756,490   |
| Digicel Group Ltd. (a):                         |              |             |
| 9.13%, 1/15/15                                  | 560          | 571,200     |
| 8.25%, 9/01/17                                  | 150          | 159,000     |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20        | 960          | 988,800     |
| Rogers Communications, Inc., 7.50%, 8/15/38     | 1,150        | 1,562,431   |
| SBA Tower Trust, 5.10%, 4/15/17 (a)             | 360          | 385,920     |
| Sprint Capital Corp., 6.88%, 11/15/28           | 595          | 464,100     |
| Sprint Nextel Corp. (a):                        |              |             |
| 9.00%, 11/15/18                                 | 530          | 590,950     |
| 7.00%, 3/01/20                                  | 770          | 782,513     |
|   |              | 8,073,164   |
| <b>Total Corporate Bonds 72.9%</b>              |              | 286,173,252 |

| Foreign Agency Obligations                              | Par<br>(000) | Value      |
|---|--------------|------------|
| Hellenic Republic Government Bond, 4.60%,<br>9/20/40    | EUR 160      | 42,634     |
| Hydro-Quebec:   |              |            |
| 9.40%, 2/01/21  | USD 390      | 584,676    |
| 8.40%, 1/15/22  | 730          | 1,046,735  |
| 8.05%, 7/07/24  | 1,900        | 2,801,945  |
| Italy Buoni Poliennali Del Tesoro, 5.00%, 3/01/22       | EUR 1,700    | 2,230,482  |
| Italy Government International Bond, 5.38%,<br>6/15/33  | USD 455      | 429,795    |
| Kreditanstalt fuer Wiederaufbau, 1.38%,<br>7/15/13 (j)  | 660          | 667,363    |
| Mexico Government International Bond:                   |              |            |
| 5.63%, 1/15/17  | 370          | 426,425    |
| 5.13%, 1/15/20  | 145          | 165,663    |
| Poland Government International Bond, 5.13%,<br>4/21/21 | 705          | 756,113    |
| Russian Foreign Bond Eurobond, 7.50%,<br>3/31/30 (k)    | 1,386        | 1,652,924  |
| Turkey Government International Bond, 6.25%,<br>9/26/22 | 1,500        | 1,608,750  |
| <b>Total Foreign Agency Obligations 3.2%</b>            |              | 12,413,505 |

Non-Agency Mortgage-Backed Securities

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| <b>Collateralized Mortgage Obligations</b>   | <b>3.0%</b> |       |           |
|--|-------------|-------|-----------|
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                     |             | 1,100 | 863,258   |
| Bear Stearns Adjustable Rate Mortgage Trust,<br>Series 2004-8, Class 14A1, 5.37%, 11/25/34 (b) |             | 368   | 340,709   |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15, 5.50%,<br>12/25/35        |             | 1,533 | 1,149,721 |
| Series 2006-0A21, Class A1, 0.44%, 3/20/47 (b)   |             | 819   | 376,607   |
| Series 2006-41CB, Class 1A4, 5.75%, 1/25/37  |             | 748   | 506,865   |
| Series 2007-HY4, Class 4A1, 5.29%, 6/25/47 (b)   |             | 872   | 572,733   |

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)

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |            |
| <b>Collateralized Mortgage Obligations (concluded)</b>   |              |            |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust:  |              |            |
| Series 2006-0A5, Class 2A1, 0.44%,<br>4/25/46 (b)  | USD 336      | \$ 177,404 |
| Series 2007-10, Class A22, 6.00%, 7/25/37  | 675          | 520,090    |
| Credit Suisse Mortgage Capital Certificates,<br>Series 2011-2R, Class 2A1, 2.70%,<br>7/27/36 (a)(b)    | 1,383        | 1,315,130  |
| CS First Boston Mortgage Securities Corp.,<br>Series 2005-12, Class 6A1, 6.00%, 1/25/36                | 841          | 583,096    |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust,<br>Series 2006-0A1, Class A1, 0.44%, 2/25/47 (b) | 257          | 151,713    |
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.10%, 6/19/35 (b)                      | 1,232        | 1,158,735  |
| GSR Mortgage Loan Trust:   |              |            |
| Series 2006-4F, Class 1A1, 5.00%, 5/25/36  | 657          | 565,875    |
| Series 2007-4F, Class 3A1, 6.00%, 7/25/37  | 788          | 671,020    |
| Homebanc Mortgage Trust, Series 2006-2, Class A1,<br>0.42%, 12/25/36 (b)                               | 636          | 400,839    |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37                          | 967          | 810,519    |
| JPMorgan Mortgage Trust:   |              |            |
| Series 2006-S3, Class 1A12, 6.50%, 8/25/36   | 409          | 378,737    |
| Series 2007-S1, Class 2A22, 5.75%, 3/25/37   | 452          | 361,764    |
| Merrill Lynch Mortgage Investors, Inc.,<br>Series 2006-A3, Class 3A1, 2.84%, 5/25/36 (b)               | 710          | 466,114    |
| Residential Funding Mortgage Securities I,<br>Series 2007-S6, Class 1A16, 6.00%, 6/25/37               | 462          | 373,766    |
| Wells Fargo Mortgage-Backed Securities Trust:  |              |            |
| Series 2006-9, Class 1A29, 6.00%, 8/25/36  | 158          | 157,581    |
| Series 2007-10, Class 1A21, 6.00%, 7/25/37   | 54           | 48,718     |
|  |              | 11,950,994 |
| <b>Commercial Mortgage-Backed Securities 11.9%</b>   |              |            |
| Banc of America Merrill Lynch<br>Commercial Mortgage, Inc.:  |              |            |
| Series 2007-1, Class A4, 5.45%, 1/15/49  | 500          | 563,501    |
| Series 2007-2, Class A4, 5.66%, 4/10/49 (b)  | 750          | 832,763    |
| Bear Stearns Commercial Mortgage Securities,<br>Series 2005-PWR9, Class A4A, 4.87%, 9/11/42            | 800          | 879,736    |
| Citigroup Commercial Mortgage Trust,<br>Series 2008-C7, Class A4, 6.07%, 12/10/49 (b)                  | 1,370        | 1,592,362  |
| Citigroup/Deutsche Bank Commercial Mortgage<br>Trust, Series 2006-CD3, Class AM, 5.65%,<br>10/15/48    | 1,093        | 1,091,264  |
| Commercial Mortgage Pass-Through Certificates,<br>Series 2006-C7, Class AM, 5.78%, 6/10/46 (b)         | 1,750        | 1,812,758  |
| Credit Suisse First Boston Mortgage Securities Corp.,<br>Series 2005-C3, Class AJ, 4.77%, 7/15/37      | 705          | 620,444    |
| Credit Suisse Mortgage Capital Certificates:<br>Series 2006-C3, Class AM, 5.81%, 6/15/38 (b)           | 1,000        | 1,056,006  |

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|  |       |           |
|--|-------|-----------|
| Series 2006-C5, Class AM, 5.34%, 12/15/39  | 1,750 | 1,751,489 |
| Series 2010-RR2, Class 2A, 5.79%,<br>9/15/39 (a)(b)                                    | 1,010 | 1,110,067 |
| DBRR Trust, Series 2011-C32, Class A3A, 5.74%,<br>6/17/49 (a)(b)                       | 365   | 396,307   |
| Extended Stay America Trust, Series 2010-ESHA (a):                                     |       |           |
| Class A, 2.95%, 11/05/27   | 489   | 493,750   |
| Class B, 4.22%, 11/05/27   | 2,000 | 2,025,276 |
| Class D, 5.50%, 11/05/27   | 210   | 213,275   |
| GMAC Commercial Mortgage Securities, Inc.,<br>Series 2002-C3, Class A2, 4.93%, 7/10/39 | 2,053 | 2,084,653 |
| Greenwich Capital Commercial Funding Corp.:  |       |           |
| Series 2006-GG7, Class A4, 5.88%, 7/10/38 (b)  | 1,165 | 1,327,709 |
| Series 2007-GG9, Class A4, 5.44%, 3/10/39  | 2,190 | 2,431,340 |

| Non-Agency Mortgage-Backed Securities  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Commercial Mortgage-Backed Securities<br/>(concluded)</b>                       |              |                   |
| GS Mortgage Securities Corp. II, Series 2007-GG10,<br>Class A4, 5.79%, 8/10/45 (b) | USD 435      | \$ 486,326        |
| JPMorgan Chase Commercial Mortgage<br>Securities Corp.:                            |              |                   |
| Series 2004-CB8, Class A1A, 4.16%,<br>1/12/39 (a)                                  | 2,300        | 2,397,605         |
| Series 2004-CBX, Class A4, 4.53%, 1/12/37  | 519          | 519,339           |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41  | 820          | 877,614           |
| Series 2006-CB14, Class AM, 5.45%,<br>12/12/44 (b)                                 | 330          | 342,646           |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45   | 730          | 600,073           |
| LB-UBS Commercial Mortgage Trust (b):  |              |                   |
| Series 2004-C8, Class C, 4.93%, 12/15/39   | 1,385        | 1,345,115         |
| Series 2007-C6, Class A4, 5.86%, 7/15/40   | 1,761        | 1,994,429         |
| Series 2007-C7, Class A3, 5.87%, 9/15/45   | 1,460        | 1,658,566         |
| Merrill Lynch Mortgage Trust (b):  |              |                   |
| Series 2004-BPC1, Class A3, 4.47%, 10/12/41  | 409          | 413,070           |
| Series 2004-KEY2, Class A4, 4.86%, 8/12/39   | 1,000        | 1,077,270         |
| Morgan Stanley, Series 2007-XLC1, Class A2, 0.56%,<br>7/17/17                      | 610          | 567,747           |
| Morgan Stanley Capital I:  |              |                   |
| Series 2004-HQ4, Class A7, 4.97%, 4/14/40  | 1,000        | 1,065,040         |
| Series 2007-HQ11, Class A4, 5.45%,<br>2/12/44 (b)                                  | 4,000        | 4,507,196         |
| Morgan Stanley Reremic Trust, Series 2011-IO,<br>Class A, 2.50%, 3/23/51 (a)       | 1,092        | 1,095,604         |
| Titan Europe Plc, Series 2006-4FSX, Class A1,<br>9.14%, 9/03/14 (b)                | GBP 255      | 389,708           |
| Wachovia Bank Commercial Mortgage Trust:   |              |                   |
| Series 2006-C28, Class A2, 5.50%, 10/15/48   | USD 4,592    | 4,626,234         |
| Series 2007-C33, Class A4, 5.90%,<br>2/15/51 (b)                                   | 2,185        | 2,408,753         |
|  |              | 46,655,035        |
| <b>Total Non-Agency Mortgage-Backed Securities 14.9%</b>                           |              | <b>58,606,029</b> |

**Preferred Securities**

**Capital Trusts**

**Capital Markets 0.0%**

|   |    |        |
|---|----|--------|
| State Street Capital Trust IV, 1.55%, 6/15/37 (b) | 70 | 49,417 |
|---|----|--------|

**Commercial Banks 0.2%**

|                                    |     |         |
|------------------------------------|-----|---------|
| Barclays Bank Plc, 5.93% (a)(b)(l) | 250 | 215,625 |
|------------------------------------|-----|---------|

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|   |       |           |
|---|-------|-----------|
| Fifth Third Capital Trust IV, 6.50%, 4/15/67 (b)          | 505   | 501,212   |
| JPMorgan Chase Capital XXV, Series Y, 6.80%,<br>10/01/37  | 210   | 212,100   |
|   |       | 928,937   |
| <b>Consumer Finance 0.2%</b>                              |       |           |
| Capital One Capital VI, 8.88%, 5/15/40                    | 690   | 713,074   |
| Capital One Financial Corp. Capital V, 10.25%,<br>8/15/39 | 200   | 208,500   |
|   |       | 921,574   |
| <b>Insurance 1.2%</b>                                     |       |           |
| The Allstate Corp., 6.50%, 5/15/67 (b)                    | 1,950 | 1,911,000 |
| American International Group, Inc., 8.18%, 5/15/68 (b)    | 195   | 206,456   |
| Lincoln National Corp., 6.05%, 4/20/67 (b)                | 675   | 619,313   |
| MetLife Capital Trust IV, 7.88%, 12/15/67 (a)             | 120   | 132,000   |
| Swiss Re Capital I LP, 6.85% (a)(b)(l)                    | 1,060 | 956,422   |
| XL Group Plc, Series E, 6.50% (b)(l)                      | 815   | 690,712   |
|   |       | 4,515,903 |
| <b>Total Capital Trusts 1.6%</b>                          |       | 6,415,831 |

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)

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Trust Preferreds 0.1%</b>  |              |            |
| <b>Commercial Banks 0.1%</b>  |              |            |
| Citigroup Capital XIII, 7.88%, 10/30/40   | USD 14,773   | \$ 397,186 |
| <b>Total Preferred Securities 1.7%</b>  |              | 6,813,017  |
| <br>  |              |            |
| <b>Taxable Municipal Bonds</b>  |              |            |
| East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40                          | 950          | 1,202,310  |
| Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40              | 1,275        | 1,590,907  |
| Metropolitan Transportation Authority, RB, Build America Bonds, 7.34%, 11/15/39                       | 625          | 898,906    |
| New York City Municipal Water Finance Authority: Second General Resolution, Series EE, 5.50%, 6/15/43 | 465          | 535,610    |
| RB, 5.72%, 6/15/42  | 700          | 890,379    |
| RB, Build America Bonds, Second General Resolution, Series EE, 5.38%, 6/15/43                         | 385          | 436,725    |
| New York State Dormitory Authority: 5.63%, 3/15/39  | 550          | 656,178    |
| 5.60%, 3/15/40  | 950          | 1,155,399  |
| Port Authority of New York & New Jersey, RB, Consolidated, 159th Series, 6.04%, 12/01/29              | 385          | 477,970    |
| University of California, RB, Build America Bonds, 5.95%, 5/15/45                                     | 445          | 529,222    |
| <b>Total Taxable Municipal Bonds 2.1%</b>   |              | 8,373,606  |
| <br>  |              |            |
| <b>US Government Sponsored Agency Securities</b>  |              |            |
| <b>Agency Obligations 3.2%</b>  |              |            |
| Fannie Mae:   |              |            |
| 6.12%, 10/09/19 (e)(m)  | 7,055        | 5,489,192  |
| 5.63%, 7/15/37 (n)  | 775          | 1,065,921  |
| Federal Home Loan Bank (e):   |              |            |
| 5.25%, 12/09/22   | 675          | 848,550    |
| 5.37%, 9/09/24  | 1,075        | 1,329,662  |
| Resolution Funding Corp. (m):   |              |            |
| 1.62%, 7/15/18  | 525          | 473,753    |
| 1.69%, 10/15/18   | 525          | 469,887    |
| Tennessee Valley Authority, 5.25%, 9/15/39 (e)  | 2,355        | 2,947,869  |
|   |              | 12,624,834 |
| <br>  |              |            |
| <b>Collateralized Mortgage Obligations 0.8%</b>   |              |            |
| Fannie Mae Mortgage-Backed Securities, Series 2005-5, Class PK, 5.00%, 12/25/34                       | 708          | 774,120    |
| Freddie Mac Mortgage-Backed Securities:   |              |            |
| Series 2825, Class VP, 5.50%, 6/15/15   | 634          | 677,146    |
| Series K013, Class A2, 3.97%, 1/25/21 (b)   | 940          | 1,035,249  |
| Series K706, Class X1, 1.60%, 10/25/18 (b)  | 2,605        | 226,666    |
| FREMF Mortgage Trust (a)(b):  |              |            |
| Series 2012-K706, Class B, 4.02%, 11/25/44  | 145          | 141,595    |

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|  |     |           |
|--|-----|-----------|
| Series 2012-K706, Class C, 4.02%, 11/25/44 | 165 | 145,369   |
|  |     | 3,000,145 |

**Interest Only Collateralized Mortgage**

**Obligations 0.1%**

Freddie Mac Mortgage-Backed Securities:

|                                       |       |         |
|---------------------------------------|-------|---------|
| Series 2579, Class HI, 5.00%, 8/15/17 | 232   | 4,191   |
| Series 2611, Class QL, 5.50%, 9/15/32 | 1,798 | 213,585 |
|                                       |       | 217,776 |

**US Government Sponsored Agency Securities**

**Mortgage-Backed Securities 2.7%**

Fannie Mae Mortgage-Backed Securities (o):

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| 4.00%, 3/15/27   | USD 4,100    | \$ 4,340,875 |
| 5.00%, 3/15/27 03/14/42                                  | 3,900        | 4,209,469    |
| 5.50%, 3/15/27   | 300          | 326,344      |
| 3.50%, 3/14/42 (b)                                       | 700          | 723,406      |
| Freddie Mac Mortgage-Backed Securities:                  |              |              |
| 6.00%, 2/01/13 12/01/18                                  | 721          | 778,519      |
| 4.50%, 3/14/42 (o)                                       | 100          | 106,203      |
| 5.00%, 3/14/42 (o)                                       | 100          | 107,656      |
| Ginnie Mae Mortgage-Backed Securities, 5.50%,<br>8/15/33 | 86           | 96,400       |
|  |              | 10,688,872   |

**Total US Government Sponsored Agency Securities 6.8%**

26,531,627

**US Treasury Obligations**

US Treasury Bonds (e):

|                 |        |            |
|-----------------|--------|------------|
| 8.13%, 8/15/21  | 1,550  | 2,407,465  |
| 6.25%, 8/15/23  | 5,720  | 8,117,933  |
| 3.50%, 2/15/39  | 330    | 359,133    |
| 4.25%, 5/15/39  | 6,045  | 7,449,520  |
| 4.38%, 5/15/40  | 6,375  | 8,017,557  |
| 4.75%, 2/15/41  | 1,630  | 2,174,012  |
| 4.38%, 5/15/41  | 800    | 1,007,500  |
| 3.13%, 11/15/41 | 30,855 | 31,110,510 |
| 3.13%, 2/15/42  | 3,255  | 3,279,412  |

US Treasury Inflation Indexed Bonds, 2.13%,  
2/15/41 (e)

3,808 5,263,761

US Treasury Notes:

|                    |        |            |
|--------------------|--------|------------|
| 0.63%, 1/31/13 (n) | 200    | 200,789    |
| 0.25%, 1/31/14 (e) | 1,415  | 1,413,729  |
| 0.25%, 2/15/15 (e) | 8,145  | 8,104,275  |
| 2.50%, 4/30/15 (e) | 965    | 1,026,066  |
| 0.88%, 1/31/17 (e) | 7,600  | 7,607,129  |
| 2.25%, 7/31/18 (e) | 2,495  | 2,649,573  |
| 2.63%, 8/15/20 (e) | 1,105  | 1,186,580  |
| 2.00%, 2/15/22 (e) | 29,150 | 29,209,204 |

**Total US Treasury Obligations 30.7%**

120,584,148

**Warrants (p)**

**Shares**

**Media 0.0%**

|                                       |        |        |
|---------------------------------------|--------|--------|
| Cumulus Media, Inc. (Expires 3/26/19) | 13,751 | 99,323 |
|---------------------------------------|--------|--------|

**Software 0.0%**

|  |    |  |
|--|----|--|
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17) | 90 |  |
|--|----|--|

**Total Warrants 0.0%**

99,323  
544,457,338

**Total Long-Term Investments**  
(Cost \$518,319,515) 138.6%

**Short-Term Securities**

BlackRock Liquidity Funds, TempFund,  
Institutional Class, 0.11% (q)(r)

163,811

163,811

**Total Short-Term Securities**

(Cost \$163,811) 0.1%

163,811

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)

|   | Contracts                    | Value            |
|---|------------------------------|------------------|
| <b>Options Purchased</b>  |                              |                  |
| <b>Exchange-Traded Put Options 0.0%</b>   |                              |                  |
| Eurodollar 1-Year Mid-Curve Options, Strike Price USD 99.00, Expires 3/16/12  | 221                          | \$ 1,381         |
|   | <b>Notional Amount (000)</b> |                  |
| <b>Over-the-Counter Interest Rate Call Swaptions 0.0%</b>   |                              |                  |
| Receive a fixed rate of 2.65% and pay a floating rate based on 3-month LIBOR, Expires 5/01/12, Broker Bank of America NA                    | USD 3,600                    | 68,976           |
| <b>Over-the-Counter Put Options 0.0%</b>  |                              |                  |
| EUR Put Option, Strike Price USD 1.30, Expires 3/21/12, Broker Citibank NA  | 8,810                        | 26,926           |
| <b>Over-the-Counter Interest Rate Put Swaptions 0.1%</b>  |                              |                  |
| Pay a fixed rate of 0.65% and receive a floating rate based on 3-month LIBOR, Expires 7/05/12, Broker Morgan Stanley Capital Services, Inc. | 59,900                       | 28,848           |
| Pay a fixed rate of 3.50% and receive a floating rate based on a 6-month EURIBOR, Expires 11/08/12, Broker Citibank NA                      | EUR 4,000                    | 42,282<br>71,130 |
| <b>Total Options Purchased (Cost \$693,411) 0.1%</b>  |                              | 168,413          |
| <b>Total Investments Before TBA Sale Commitments and Options Written (Cost \$519,176,737) 138.8%</b>  |                              | 544,789,562      |
|   | <b>Par (000)</b>             |                  |
| <b>TBA Sale Commitments (o)</b>   |                              |                  |
| Fannie Mae Mortgage-Backed Securities:  |                              |                  |
| 4.00%, 3/15/27  | USD 4,100                    | (4,340,875)      |
| 5.00%, 3/15/27 3/14/42  | 3,900                        | (4,209,469)      |
| 5.50%, 3/15/27  | 300                          | (326,344)        |
| 3.50%, 3/14/42  | 700                          | (723,406)        |
| Freddie Mac Mortgage-Backed Securities:   |                              |                  |
| 4.50%, 3/14/42  | 100                          | (106,203)        |
| 5.00%, 3/14/42  | 100                          | (107,656)        |
| <b>Total TBA Sale Commitments (Proceeds \$9,811,934) (2.5)%</b>   |                              | (9,813,953)      |
|   | <b>Notional Amount (000)</b> | <b>Value</b>     |
| <b>Options Written</b>  |                              |                  |
| <b>Over-the-Counter Interest Rate Call Swaptions (0.3)%</b>   |                              |                  |
| Pay a fixed rate of 2.45% and receive a floating rate based on 3-month LIBOR, Expires 02/22/13<br>Broker Citibank NA                        | USD 25,000                   | \$ (963,422)     |
|   | 1,400                        | (63,784)         |

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|  |         |                |
|--|---------|----------------|
| Pay a fixed rate of 2.60% and receive a floating rate based on 3-month LIBOR, Expires 12/16/13,<br>Broker JPMorgan Chase Bank        |         |                |
| Pay a fixed rate of 2.09% and receive a floating rate based on 3-month LIBOR, Expires 01/03/14,<br>Broker Deutsche Bank AG           | 4,200   | (107,326)      |
| Pay a fixed rate of 1.97% and receive a floating rate based on 3-month LIBOR, Expires 01/27/14,<br>Broker Citibank NA                | 2,400   | (51,669)       |
|  |         | (1,186,201)    |
| <b>Over-the-Counter Put Options (0.0)%</b>   |         |                |
| EUR Put Option, Strike Price USD 1.25,<br>Expires 3/21/12, Broker Citibank NA  | 8,810   | (1,162)        |
| <b>Over-the-Counter Interest Rate Put Swaptions (0.7)%</b>   |         |                |
| Receive a fixed rate of 1.50% and pay a floating rate based on 3-month LIBOR, Expires 05/21/12,<br>Broker JPMorgan Chase Bank        | 124,600 | (279,465)      |
| Receive a fixed rate of 1.55% and pay a floating rate based on 3-month LIBOR, Expires 07/30/12,<br>Broker Citibank NA                | 200,000 | (925,440)      |
| Receive a fixed rate of 1.70% and pay a floating rate based on 3-month LIBOR, Expires 08/10/12,<br>Broker Bank of America NA         | 3,900   | (14,293)       |
| Receive a fixed rate of 1.75% and pay a floating rate based on 3-month LIBOR, Expires 08/23/12,<br>Broker Royal Bank of Scotland Plc | 142,500 | (531,682)      |
| Receive a fixed rate of 2.90% and pay a floating rate based on 3-month LIBOR, Expires 01/09/13,<br>Broker Citibank NA                | 6,000   | (89,089)       |
| Receive a fixed rate of 2.45% and pay a floating rate based on 3-month LIBOR, Expires 02/22/13,<br>Broker Citibank NA                | 25,000  | (766,158)      |
| Receive a fixed rate of 2.60% and pay a floating rate based on 3-month LIBOR, Expires 12/16/13,<br>Broker JPMorgan Chase Bank        | 1,400   | (64,530)       |
| Receive a fixed rate of 2.09% and pay a floating rate based on 3-month LIBOR, Expires 01/03/14,<br>Broker Deutsche Bank AG           | 4,200   | (79,290)       |
| Receive a fixed rate of 1.97% and pay a floating rate based on 3-month LIBOR, Expires 01/27/14,<br>Broker Citibank NA                | 2,400   | (53,147)       |
|  |         | (2,803,094)    |
| <b>Total Options Written</b>   |         |                |
| <b>(Premiums Received \$4,225,523) (1.0)%</b>  |         | (3,990,457)    |
| <b>Total Investments, Net of TBA Sale</b>  |         |                |
| <b>Commitments and Options Written 135.3%</b>  |         | 530,985,152    |
| <b>Liabilities in Excess of Other Assets (35.3)%</b>   |         | (138,407,350)  |
| <b>Net Assets 100.0%</b>   |         | \$ 392,577,802 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Core Bond Trust (BHK)

- (a) Security exempt from registration pursuant to Rule 144A under 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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (f) Convertible security.
- (g) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty               | Value        | Unrealized<br>Appreciation |
|----------------------------|--------------|----------------------------|
| Morgan Stanley & Co., Inc. | \$ 1,175,149 | \$ 34,149                  |

- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) All or a portion of security has been pledged as collateral in connection with swaps.
- (k) 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.
- (l) Security is perpetual in nature and has no stated maturity date.
- (m) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (n) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.
- (o) Represents or includes a to-be-announced ( TBA ) transaction. Unsettled TBA transactions as of February 29, 2012 were as follows:

| Counterparty                       | Value          | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------------------|----------------|--|
| BNP Paribas Securities Corp.       | \$ 310,031     | \$ (141)                                     |
| Credit Suisse Securities (USA) LLC | \$ 3,455,000   | \$ 4,000                                     |
| Deutsche Bank Securities, Inc.     | \$ 326,344     | \$ 891                                       |
| Goldman Sachs & Co., Inc.          | \$ 4,014,531   | \$ 363                                       |
| JPMorgan Securities, Inc.          | \$ (3,765,031) | \$ (1,250)                                   |
| Morgan Stanley & Co., Inc.         | \$ (754,069)   | \$ (90)                                      |
| RBS Greenwich Capital              | \$ (4,340,875) | \$ (641)                                     |
| UBS Securities                     | \$ 754,469     | \$ 1,422                                     |

- (p)

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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.

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

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income   |
|--|--------------------------------------|-----------------|--|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 4,711,687                            | (4,547,876)     | 163,811                                | \$ 2,089 |

Reverse repurchase agreements outstanding as of February 29, 2012 were as follows:

| Counterparty                          | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Net Closing<br>Amount | Face<br>Amount |
|---------------------------------------|------------------|---------------|------------------|-----------------------|----------------|
| Credit Suisse<br>Securities (USA) LLC | 0.13%            | 11/29/11      | Open             | \$ 2,449,822          | \$ 2,449,000   |
| Credit Suisse<br>Securities (USA) LLC | 0.17%            | 11/29/11      | Open             | 2,992,163             | 2,990,850      |
| BNP Paribas<br>Securities Corp.       | 0.13%            | 12/02/11      | Open             | 360,642               | 360,525        |
| Deutsche Bank AG                      | (0.50)%          | 1/17/12       | Open             | 344,819               | 345,030        |
| UBS Securities LLC                    | 0.35%            | 1/19/12       | Open             | 3,409,267             | 3,407,875      |
| BNP Paribas<br>Securities Corp.       | 0.14%            | 1/24/12       | Open             | 1,190,808             | 1,190,637      |
| Barclays Capital, Inc.                | 0.10%            | 1/25/12       | Open             | 2,597,260             | 2,597,000      |
| Barclays Capital, Inc.                | 0.12%            | 1/25/12       | Open             | 8,209,185             | 8,208,200      |
| Barclays Capital, Inc.                | 0.13%            | 1/25/12       | Open             | 1,372,147             | 1,371,969      |
| Deutsche Bank AG                      | (0.12)%          | 1/25/12       | Open             | 259,152               | 262,300        |
| Deutsche Bank AG                      | 0.12%            | 1/25/12       | Open             | 2,660,613             | 2,660,294      |
| Deutsche Bank AG                      | 0.13%            | 1/25/12       | Open             | 2,184,484             | 2,184,200      |
| UBS Securities LLC                    | (0.25)%          | 2/01/12       | Open             | 475,916               | 476,012        |
| UBS Securities LLC                    | (1.25)%          | 2/02/12       | Open             | 440,272               | 440,700        |
| BofA Merrill Lynch                    | 0.11%            | 2/07/12       | Open             | 4,832,996             | 4,832,656      |
| BofA Merrill Lynch                    | 0.12%            | 2/07/12       | Open             | 8,009,208             | 8,008,594      |
| BofA Merrill Lynch                    | 0.01%            | 2/13/12       | Open             | 1,415,007             | 1,415,000      |
| Deutsche Bank AG                      | 0.25%            | 2/13/12       | 3/12/12          | 1,901,814             | 1,901,444      |
| BNP Paribas<br>Securities Corp.       | 0.15%            | 2/16/12       | Open             | 1,015,059             | 1,015,000      |
| BNP Paribas<br>Securities Corp.       | 0.16%            | 2/16/12       | Open             | 1,036,233             | 1,036,169      |
| BofA Merrill Lynch                    | 0.17%            | 2/16/12       | Open             | 857,307               | 857,250        |
| BNP Paribas<br>Securities Corp.       | 0.13%            | 2/28/12       | Open             | 5,311,600             | 5,311,562      |
| BNP Paribas<br>Securities Corp.       | 0.32%            | 2/28/12       | Open             | 1,602,229             | 1,602,200      |
| Deutsche Bank AG                      | 0.16%            | 2/28/12       | Open             | 5,467,674             | 5,467,625      |
| BofA Merrill Lynch                    | 0.12%            | 2/29/12       | 3/01/12          | 8,114,483             | 8,114,456      |
| BNP Paribas<br>Securities Corp.       | 0.09%            | 2/29/12       | 3/01/12          | 7,628,519             | 7,628,500      |
| BNP Paribas<br>Securities Corp.       | 0.18%            | 2/29/12       | 3/01/12          | 15,522,041            | 15,521,963     |
| BNP Paribas<br>Securities Corp.       | 0.19%            | 2/29/12       | 3/01/12          | 31,626,542            | 31,626,375     |

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|                                       |         |         |         |                |                |
|---------------------------------------|---------|---------|---------|----------------|----------------|
| BNP Paribas<br>Securities Corp.       | 0.32%   | 2/29/12 | Open    | 4,520,540      | 4,520,500      |
| Credit Suisse<br>Securities (USA) LLC | (0.06)% | 2/29/12 | 3/01/12 | 29,332,139     | 29,332,188     |
| <b>Total</b>                          |         |         |         | \$ 157,139,941 | \$ 157,136,074 |

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 29, 2012 were as follows:

| Contracts    | Issue                    | Exchange  | Expiration | Notional Value | Unrealized Appreciation |
|--------------|--------------------------|---|------------|----------------|-------------------------|
| 2            | Long-Term UK Gilt Bond   | London International Financial Futures and Options Exchange | March 2012 | GBP 232,760    | \$ 10,878               |
| 257          | 30-Year US Treasury Bond | Chicago Board of Trade                                      | June 2012  | USD 36,405,656 | 82,066                  |
| <b>Total</b> |                          |   |            |                | \$ 92,944               |

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts    | Issue                    | Exchange               | Expiration     | Notional Value | Unrealized Appreciation (Depreciation) |
|--------------|--------------------------|------------------------|----------------|----------------|--|
| 8            | Euro-Bund                | Eurex                  | March 2012     | EUR 1,119,120  | \$ (1,291)                             |
| 312          | Euro-Schatz              | Eurex                  | March 2012     | EUR 34,451,040 | (23,057)                               |
| 67           | 2-Year US Treasury Note  | Chicago Board of Trade | June 2012      | USD 14,755,703 | 4,060                                  |
| 48           | 5-Year US Treasury Note  | Chicago Board of Trade | June 2012      | USD 5,912,250  | 6,259                                  |
| 114          | 10-Year US Treasury Note | Chicago Board of Trade | June 2012      | USD 14,928,656 | 43,810                                 |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2015     | USD 9,867,000  | (1,370)                                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2015      | USD 9,850,000  | (1,687)                                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2015 | USD 9,834,000  | (2,733)                                |
| 40           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2015  | USD 9,817,500  | (3,722)                                |
| <b>Total</b> |                          |                        |                |                | \$ 20,269                              |

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency Purchased | Currency Sold | Counterparty       | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------------|-----------------|--|
| USD 2,295,352      | EUR 1,707,000 | Deutsche Bank AG   | 3/01/12         | \$ 21,117                              |
| GBP 799,000        | USD 1,268,804 | UBS Securities LLC | 3/02/12         | 2,325                                  |
| EUR 863,000        | USD 1,142,931 | UBS Securities LLC | 3/05/12         | 6,855                                  |

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|     |           |     |            |                            |         |          |
|-----|-----------|-----|------------|----------------------------|---------|----------|
| GBP | 693,000   | USD | 1,103,178  | Deutsche Bank AG           | 3/05/12 | (684)    |
| USD | 1,137,468 | EUR | 863,000    | Citibank NA                | 3/05/12 | (12,319) |
| EUR | 8,790,000 | CHF | 10,593,532 | UBS Securities LLC         | 3/06/12 | 555      |
| EUR | 1,700,000 | USD | 2,221,135  | Citibank NA                | 3/07/12 | 43,813   |
| EUR | 1,470,000 | USD | 1,920,140  | Royal Bank of Scotland Plc | 3/07/12 | 38,373   |
| USD | 1,131,750 | EUR | 863,000    | Citibank NA                | 3/07/12 | (18,044) |
| AUD | 1,220,000 | USD | 1,308,670  | UBS Securities LLC         | 3/13/12 | (1,916)  |
| NZD | 1,710,000 | USD | 1,420,711  | Royal Bank of Scotland Plc | 3/13/12 | 5,117    |
| USD | 1,314,294 | AUD | 1,220,000  | HSBC Bank USA              | 3/13/12 | 7,540    |

Foreign currency exchange contracts as of February 29, 2012 were as follows (concluded):

| Currency Purchased |            | Currency Sold |             | Counterparty                          | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|-------------|---------------------------------------|-----------------|--|
| USD                | 1,427,183  | NZD           | 1,710,000   | Morgan Stanley Capital Services, Inc. | 3/13/12         | \$ 1,355                               |
| USD                | 1,616,393  | EUR           | 1,220,000   | Citibank NA                           | 3/14/12         | (9,079)                                |
| JPY                | 78,276,510 | USD           | 975,000     | Citibank NA                           | 3/16/12         | (11,950)                               |
| JPY                | 74,259,462 | USD           | 925,000     | Deutsche Bank AG                      | 3/16/12         | (11,373)                               |
| USD                | 1,950,000  | JPY           | 152,438,520 | BNP Paribas Securities Corp.          | 3/16/12         | 74,522                                 |
| USD                | 1,102,885  | GBP           | 693,000     | Deutsche Bank AG                      | 4/11/12         | 713                                    |
| USD                | 1,268,447  | GBP           | 799,000     | UBS Securities LLC                    | 4/11/12         | (2,311)                                |
| USD                | 28,767     | JPY           | 2,210,000   | Citibank NA                           | 4/11/12         | 1,571                                  |
| PHP                | 53,125,804 | USD           | 1,250,000   | Royal Bank of Scotland Plc            | 4/17/12         | (11,607)                               |
| SGD                | 1,551,750  | USD           | 1,250,000   | HSBC Bank USA                         | 4/17/12         | (9,196)                                |
| USD                | 1,250,000  | PHP           | 53,387,500  | Morgan Stanley Capital Services, Inc. | 4/17/12         | 5,507                                  |
| USD                | 1,250,000  | SGD           | 1,577,488   | Standard Chartered Bank               | 4/17/12         | (11,385)                               |
| EUR                | 1,707,000  | USD           | 2,295,790   | Deutsche Bank AG                      | 4/18/12         | (21,143)                               |
| USD                | 9,495,666  | EUR           | 7,392,500   | Citibank NA                           | 4/18/12         | (355,142)                              |
| USD                | 2,131,107  | EUR           | 1,629,000   | Citibank NA                           | 4/18/12         | (39,602)                               |
| USD                | 367,592    | EUR           | 280,000     | Citibank NA                           | 4/18/12         | (5,520)                                |
| USD                | 193,204    | EUR           | 146,000     | Citibank NA                           | 4/18/12         | (1,347)                                |
| USD                | 2,977,160  | EUR           | 2,264,000   | Deutsche Bank AG                      | 4/18/12         | (39,712)                               |
| <b>Total</b>       |            |               |             |                                       |                 | \$ (352,967)                           |

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 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              | \$ 188,478                             |
| Radian Group, Inc.     | 5.00%          | Citibank NA            | 6/20/15         | \$ 1,400              | 303,681                                |
| The New York Times Co. | 1.00%          | Barclays Bank, Inc.    | 12/20/16        | \$ 1,800              | 385                                    |
| Sara Lee Corp.         | 1.00%          | JPMorgan Chase Bank NA | 3/20/17         | \$ 404                | (626)                                  |
| <b>Total</b>           |                |                        |                 |                       | \$ 491,918                             |

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See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

| Issuer                 | Receive Fixed Rate | Counterparty                       | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|------------------------|--------------------|------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| Aviva USA Corp.        | 1.00%              | Deutsche Bank AG                   | 5/25/12         | Not Rated                         | \$ 1,150                           | \$ (619)                               |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 12/20/14        | AA                                | \$ 3                               | 336                                    |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 3/20/15         | AA                                | \$ 10                              | 1,330                                  |
| MetLife, Inc.          | 1.00%              | Credit Suisse Securities (USA) LLC | 9/20/16         | A                                 | \$ 535                             | 20,656                                 |
| MetLife, Inc.          | 1.00%              | Deutsche Bank AG                   | 9/20/16         | A                                 | \$ 730                             | 22,969                                 |
| MetLife, Inc.          | 1.00%              | Goldman Sachs & Co.                | 9/20/16         | A                                 | \$ 500                             | 14,705                                 |
| MetLife, Inc.          | 1.00%              | Morgan Stanley & Co., Inc.         | 9/20/16         | A                                 | \$ 900                             | 26,986                                 |
| MetLife, Inc.          | 1.00%              | Morgan Stanley & Co., Inc.         | 9/20/16         | A                                 | \$ 275                             | 6,017                                  |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 12/20/16        | AA                                | \$ 146                             | 25,075                                 |
| MetLife, Inc.          | 1.00%              | Citibank NA                        | 12/20/16        | A                                 | \$ 298                             | 6,143                                  |
| MetLife, Inc.          | 1.00%              | Citibank NA                        | 12/20/16        | A                                 | \$ 285                             | 7,565                                  |
| <b>Total</b>           |                    |                                    |                 |                                   |                                    | \$ 131,163                             |

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

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

Credit default swaps on traded indexes buy protection outstanding as of February 29, 2012 were as follows:

| Index  | Pay Fixed Rate | Counterparty                       | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--|----------------|------------------------------------|-----------------|-----------------------|-------------------------|
| Dow Jones CDX Emerging Markets Series 14                     | 5.00%          | Morgan Stanley & Co., Inc.         | 12/20/15        | \$ 990                | \$ (202)                |
| Dow Jones CDX North America Investment Grade Index Series 16 | 1.00%          | Credit Suisse Securities (USA) LLC | 6/20/16         | \$ 388                | (5,485)                 |
|  | 1.00%          |                                    | 6/20/16         | \$ 22                 | (264)                   |

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|   |       |                               |         |    |       |          |
|---|-------|-------------------------------|---------|----|-------|----------|
| Dow Jones CDX<br>North America<br>Investment Grade<br>Index Series 16 |       | JPMorgan<br>Chase & Co.       |         |    |       |          |
| Dow Jones CDX<br>North America<br>Investment Grade<br>Index Series 16 | 1.00% | Morgan Stanley<br>& Co., Inc. | 6/20/16 | \$ | 1,480 | (28,844) |
| <b>Total</b>  |       |                               |         | \$ |       | (34,795) |

Credit default swaps on traded indexes sold protection outstanding as of February 29, 2012 were as follows:

| Index  | Receive<br>Fixed<br>Rate | Counterparty                  | Expiration<br>Date | Credit<br>Rating <sup>3</sup> | Notional<br>Amount<br>(000) <sup>4</sup> | Unrealized<br>Appreciation |
|--|--------------------------|-------------------------------|--------------------|-------------------------------|--|----------------------------|
| Markit CMBX<br>North America<br>AAA Index Series 3 | 0.08%                    | Morgan Stanley<br>& Co., Inc. | 12/13/49           | AA                            | \$ 525                                   | \$ 28,946                  |
| Markit CMBX<br>North America<br>AAA Index Series 4 | 0.35%                    | Morgan Stanley<br>& Co., Inc. | 2/17/51            | A                             | \$ 525                                   | 28,839                     |
| <b>Total</b>                                       |                          |                               |                    |                               | \$                                       | 57,785                     |

<sup>3</sup> Using S&P's rating of the underlying securities.

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

Interest rate swaps outstanding as of February 29, 2012 were as follows:

| Fixed<br>Rate      | Floating<br>Rate | Counterparty                             | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------|------------------|--|--------------------|-----------------------------|--|
| 1.24% <sup>5</sup> | 6-month EURIBOR  | Citibank NA                              | 12/13/13           | EUR 40,010                  | \$ 204,880                                   |
| 3.27% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 5/16/21            | USD 910                     | (102,530)                                    |
| 3.85% <sup>6</sup> | 3-month LIBOR    | UBS Securities<br>LLC                    | 12/14/21           | USD 300                     | (37,959)                                     |
| 3.02% <sup>5</sup> | 3-month LIBOR    | Goldman<br>Sachs & Co.                   | 1/17/22            | USD 1,000                   | (2,991)                                      |
| 1.97% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 2/02/22            | USD 2,200                   | 17,832                                       |
| 2.01% <sup>6</sup> | 3-month LIBOR    | Credit Suisse<br>Securities<br>(USA) LLC | 2/08/22            | USD 600                     | 2,810  |
| 2.14% <sup>6</sup> | 3-month LIBOR    | JPMorgan<br>Chase Bank NA                | 2/24/22            | USD 25,000                  | (188,488)                                    |
| 2.58% <sup>6</sup> | 6-month EURIBOR  | Deutsche<br>Bank AG                      | 11/11/41           | EUR 350                     | (5,803)                                      |
| 2.68% <sup>6</sup> | 6-month EURIBOR  | Deutsche<br>Bank AG                      | 11/18/41           | EUR 745                     | (33,512)                                     |
| 2.70% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 1/11/42            | USD 1,000                   | 16,294                                       |
| 2.85% <sup>6</sup> | 3-month LIBOR    |  | 2/09/42            | USD 1,100                   | (16,737)                                     |

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|                    |               |                           |         |            |           |
|--------------------|---------------|---------------------------|---------|------------|-----------|
|                    |               | Bank of<br>America NA     |         |            |           |
| 2.86% <sup>6</sup> | 3-month LIBOR | JPMorgan<br>Chase Bank NA | 2/24/42 | USD 10,000 | (164,984) |
| <b>Total</b>       |               |                           |         | \$         | (311,188) |

<sup>5</sup> Trust pays a floating interest rate and receives fixed rate.

<sup>6</sup> Trust pays a fixed interest rate and receives floating rate.

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## Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

Total return swaps outstanding as of February 29, 2012 were as follows:

| Reference Entity   | Trust Pays/<br>Receives the<br>Total Return<br>of the<br>Reference<br>Entity | Fixed<br>Rate      | Counterparty          | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|--|--|--------------------|-----------------------|--------------------|-----------------------------|----------------------------|
| Change in<br>Return of the<br>Consumer Price<br>Index for All<br>Urban Consumers | Pays   | 2.18% <sup>1</sup> | Bank of<br>America NA | 10/06/21           | \$ 1,880                    | \$ (77,284)                |

<sup>1</sup> Net payment made at termination.

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs          | Level 1 | Level 2       | Level 3      | Total         |
|---------------------------|---------|---------------|--------------|---------------|
| <b>Assets:</b>            |         |               |              |               |
| Investments:              |         |               |              |               |
| Long-Term<br>Investments: |         | \$ 19,268,906 | \$ 5,593,922 | \$ 24,862,828 |

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|   |            |                |               |                |
|---|------------|----------------|---------------|----------------|
| Asset-Backed Securities                   |            |                |               |                |
| Common Stocks                             |            |                | 3             | 3              |
| Corporate Bonds                           |            | 280,963,414    | 5,209,838     | 286,173,252    |
| Foreign Agency Obligations                |            | 12,413,505     |               | 12,413,505     |
| Non-Agency Mortgage-Backed Securities     |            | 57,641,975     | 964,054       | 58,606,029     |
| Preferred Securities                      | \$ 397,186 | 6,415,831      |               | 6,813,017      |
| Taxable Municipal Bonds                   |            | 8,373,606      |               | 8,373,606      |
| US Government Sponsored Agency Securities |            | 26,531,627     |               | 26,531,627     |
| US Treasury Obligations                   |            | 120,584,148    |               | 120,584,148    |
| Warrants                                  |            | 99,323         |               | 99,323         |
| Short-Term Securities                     | 163,811    |                |               | 163,811        |
| <b>Liabilities:</b>                       |            |                |               |                |
| TBA Sale Commitments                      |            | (9,813,953)    |               | (9,813,953)    |
| <b>Total</b>                              | \$ 560,997 | \$ 522,478,382 | \$ 11,767,817 | \$ 534,807,196 |

| Valuation Inputs                              | Level 1    | Level 2        | Level 3  | Total          |
|---|------------|----------------|----------|----------------|
| Derivative Financial Instruments <sup>2</sup> |            |                |          |                |
| <b>Assets:</b>                                |            |                |          |                |
| Credit contracts                              |            | \$ 682,111     |          | \$ 682,111     |
| Foreign currency exchange contracts           |            | 236,289        |          | 236,289        |
| Interest rate contracts                       | \$ 148,454 | 381,922        |          | 530,376        |
| <b>Liabilities:</b>                           |            |                |          |                |
| Credit contracts                              |            | (35,421)       | \$ (619) | (36,040)       |
| Foreign currency exchange contracts           |            | (563,492)      |          | (563,492)      |
| Interest rate contracts                       | (33,860)   | (4,542,299)    |          | (4,576,159)    |
| Other contracts                               |            | (77,284)       |          | (77,284)       |
| <b>Total</b>                                  | \$ 114,594 | \$ (3,918,174) | \$ (619) | \$ (3,804,199) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, foreign currency exchange contracts, options and swaps. Financial futures contracts, foreign currency exchange contracts and swaps are valued 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 to determine 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, 2011                                  | \$ 6,120,404            |               | \$ 5,241,393        | \$ 1,960,958                          | \$ 191          | \$ 102,281           | \$ 77,670 | \$ 13,502,897        |
| Accrued discounts/premiums                                      | (146,593)               |               | 190                 | 62                                    |                 |                      |           | (146,341)            |
| Net realized gain (loss)  | 89                      |               | 17,862              | 40,781                                |                 |                      |           | 58,732               |
| Net change in unrealized appreciation/depreciation <sup>1</sup> | 97,835                  | \$ (1,584)    | (60,374)            | 30,880                                | (191)           | (102,281)            | (1)       | (35,716)             |
| Purchases   | 1,364,968               |               | 62,767              | 960,976                               |                 |                      |           | 2,388,711            |
| Sales   | (513,437)               |               | (52,000)            | (1,676,933)                           |                 |                      |           | (2,242,370)          |
| Transfers in <sup>2</sup>                                       |                         | 1,587         |                     |                                       |                 |                      |           | 1,587                |
| Transfers out <sup>2</sup>                                      | (1,329,344)             |               |                     | (352,670)                             |                 |                      | (77,669)  | (1,759,683)          |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 5,593,922</b>     | <b>\$ 3</b>   | <b>\$ 5,209,838</b> | <b>\$ 964,054</b>                     |                 |                      |           | <b>\$ 11,767,817</b> |

<sup>1</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at February 29, 2012 was \$61,330.

<sup>2</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the event.

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

|   | Credit Contracts |
|---|------------------|
| <b>Liabilities:</b>   |                  |
| Balance, as of August 31, 2011                                  | \$ (941)         |
| Accrued discounts/premiums                                      |                  |
| Net realized gain (loss)  |                  |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 322              |
| Purchases   |                  |
| Issuances <sup>4</sup>  |                  |
| Sales   |                  |
| Settlements <sup>5</sup>  |                  |
| Transfers in <sup>6</sup>                                       |                  |
| Transfers out <sup>6</sup>                                      |                  |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ (619)</b>  |

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$322.

<sup>4</sup> Issuances represent upfront cash received on certain derivative financial instruments.

<sup>5</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

<sup>6</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Consolidated Schedule of Investments February 29, 2012 (Unaudited)

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

| Common Stocks   | Shares      | Value      |
|---|-------------|------------|
| <b>Auto Components 3.0%</b>   |             |            |
| Delphi Automotive Plc   | 25,885      | \$ 828,330 |
| Delphi Automotive Plc (180-day lock)<br>(Acquired 11/17/11, cost \$3,421,472) (a) | 360,536     | 11,248,714 |
|   |             | 12,077,044 |
| <b>Capital Markets 0.3%</b>   |             |            |
| E*Trade Financial Corp. (b)   | 109,400     | 1,053,522  |
| <b>Commercial Banks 0.3%</b>  |             |            |
| CIT Group, Inc. (b)   | 24,890      | 1,013,272  |
| <b>Communications Equipment 0.3%</b>  |             |            |
| Loral Space & Communications Ltd. (b)   | 19,132      | 1,362,964  |
| <b>Diversified Financial Services 0.6%</b>  |             |            |
| Kcad Holdings I Ltd.  | 280,076,816 | 2,564,103  |
| <b>Diversified Telecommunication Services 0.1%</b>                                |             |            |
| Level 3 Communications, Inc. (b)  | 22,720      | 552,323    |
| <b>Electrical Equipment 0.0%</b>  |             |            |
| Medis Technologies Ltd. (b)   | 109,685     | 549        |
| <b>Energy Equipment &amp; Services 1.2%</b>                                       |             |            |
| Laricina Energy Ltd. (b)  | 70,588      | 3,031,977  |
| Osum Oil Sands Corp. (b)  | 120,000     | 1,515,994  |
| Transocean Ltd.   | 8,000       | 426,720    |
|   |             | 4,974,691  |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                     |             |            |
| Buffets Restaurants Holdings, Inc. (b)  | 1,854       | 185        |
| Travelport Worldwide Ltd.   | 113,632     | 56,816     |
|   |             | 57,001     |
| <b>Media 1.7%</b>   |             |            |
| Belo Corp., Class A   | 69,821      | 500,617    |
| Charter Communications, Inc. (b)  | 98,748      | 6,261,611  |
| Clear Channel Outdoor Holdings, Inc., Class A (b)                                 | 14,202      | 187,892    |
|   |             | 6,950,120  |
| <b>Metals &amp; Mining 0.1%</b>   |             |            |
| African Minerals Ltd. (b)   | 65,551      | 599,272    |
| <b>Paper &amp; Forest Products 0.2%</b>   |             |            |
| Ainsworth Lumber Co. Ltd. (b)   | 181,600     | 286,317    |
| Ainsworth Lumber Co. Ltd. (b)   | 208,741     | 329,108    |
| Western Forest Products, Inc. (b)   | 74,889      | 72,660     |
| Western Forest Products, Inc. (b)   | 74,936      | 72,705     |
|   |             | 760,790    |
| <b>Professional Services 0.0%</b>   |             |            |
| Pendrell Corp. (b)  | 5,100       | 12,342     |
| <b>Road &amp; Rail 0.2%</b>   |             |            |
| Dollar Thrifty Automotive Group, Inc. (b)   | 8,900       | 675,599    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                          |             |            |
| Spansion, Inc., Class A (b)   | 94,583      | 1,210,662  |
| SunPower Corp. (b)  | 200         | 1,506      |
|   |             | 1,212,168  |
| <b>Software 0.0%</b>  |             |            |
| Bankruptcy Management Solutions, Inc. (b)   | 737         | 15         |
| HMH Holdings/EduMedia   | 133,690     | 33,422     |
|   |             | 33,437     |

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Total Common Stocks 8.3%

33,899,197

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Aerospace &amp; Defense 0.5%</b>   |              |            |
| Huntington Ingalls Industries, Inc.:  |              |            |
| 6.88%, 3/15/18 (c)  | USD 340      | \$ 357,850 |
| 7.13%, 3/15/21  | 480          | 514,200    |
| Kratos Defense & Security Solutions, Inc., 10.00%,<br>6/01/17                   | 1,114        | 1,200,335  |
|   |              | 2,072,385  |
| <b>Air Freight &amp; Logistics 0.5%</b>   |              |            |
| National Air Cargo Group, Inc.:   |              |            |
| Series 1, 12.38%, 9/02/15   | 945          | 985,460    |
| Series 2, 12.38%, 8/16/15   | 956          | 996,161    |
|   |              | 1,981,621  |
| <b>Airlines 2.1%</b>  |              |            |
| American Airlines Pass-Through Trust, Series 2011-2,<br>Class A, 8.63%, 4/15/23 | 1,663        | 1,762,780  |
| Continental Airlines, Inc.:   |              |            |
| 6.75%, 9/15/15 (c)  | 900          | 909,000    |
| Series 1997-4-B, 6.90%, 7/02/18   | 50           | 49,466     |
| Series 2010-1, 6.00%, 7/12/20   | 672          | 651,508    |
| Delta Air Lines, Inc.:  |              |            |
| Series 2009-1-B, 9.75%, 6/17/18   | 277          | 293,314    |
| Series 2010-1-B, 6.38%, 7/02/17   | 800          | 748,000    |
| United Air Lines, Inc., 12.75%, 7/15/12   | 2,838        | 2,937,549  |
| US Airways Pass-Through Trust, 10.88%, 10/22/14                                 | 1,020        | 1,020,000  |
|   |              | 8,371,617  |
| <b>Auto Components 1.8%</b>   |              |            |
| Allison Transmission, Inc., 11.00%, 11/01/15 (c)                                | 110          | 116,188    |
| B-Corp Merger Sub, Inc., 8.25%, 6/01/19 (c)                                     | 310          | 316,200    |
| Dana Holding Corp., 6.75%, 2/15/21  | 660          | 714,450    |
| Delphi Corp., 6.13%, 5/15/21 (c)  | 260          | 278,850    |
| Icahn Enterprises LP, 8.00%, 1/15/18  | 4,815        | 5,103,900  |
| International Automotive Components Group, SL,<br>9.13%, 6/01/18 (c)            | 70           | 62,300     |
| Titan International, Inc., 7.88%, 10/01/17                                      | 685          | 727,812    |
|   |              | 7,319,700  |
| <b>Beverages 0.4%</b>   |              |            |
| Cott Beverages, Inc., 8.13%, 9/01/18  | 394          | 434,385    |
| Crown European Holdings SA:   |              |            |
| 7.13%, 8/15/18  | EUR 396      | 565,181    |
| 7.13%, 8/15/18 (c)  | 447          | 637,970    |
|   |              | 1,637,536  |
| <b>Biotechnology 0.1%</b>   |              |            |
| QHP Pharma, 10.25%, 3/15/15 (c)   | USD 327      | 329,008    |
| <b>Building Products 0.7%</b>   |              |            |
| Building Materials Corp. of America (c):  |              |            |
| 7.00%, 2/15/20  | 670          | 726,950    |
| 6.75%, 5/01/21  | 1,510        | 1,642,125  |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                      | 710          | 596,400    |
|   |              | 2,965,475  |
| <b>Capital Markets 1.0%</b>   |              |            |
| American Capital Ltd., 7.96%, 12/31/13 (d)                                      | 1,040        | 1,059,282  |
| E*Trade Financial Corp. (c):  |              |            |
| 12.50%, 11/30/17  | 1,575        | 1,834,875  |
| 3.46%, 8/31/19 (e)(f)   | 356          | 336,865    |
| KKR Group Finance Co., 6.38%, 9/29/20 (c)                                       | 970          | 1,032,290  |
|   |              | 4,263,312  |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>                             |              |              |
| <b>Chemicals 3.8%</b>                              |              |              |
| American Pacific Corp., 9.00%, 2/01/15             | USD 1,300    | \$ 1,267,500 |
| Ashland, Inc., 9.13%, 6/01/17                      | 635          | 712,787      |
| Basell Finance Co. BV, 8.10%, 3/15/27 (c)          | 735          | 841,575      |
| Celanese US Holdings LLC, 5.88%, 6/15/21           | 2,640        | 2,877,600    |
| Chemtura Corp., 7.88%, 9/01/18                     | 555          | 596,625      |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20         | 460          | 450,800      |
| Huntsman International LLC, 8.63%, 3/15/21         | 250          | 282,500      |
| Ineos Finance Plc, 8.38%, 2/15/19 (c)              | 695          | 738,437      |
| Kinove German Bondco GmbH, 10.00%, 6/15/18         | EUR 561      | 767,974      |
| KRATON Polymers LLC, 6.75%, 3/01/19                | USD 185      | 188,700      |
| Lyondell Chemical Co., 11.00%, 5/01/18             | 4,017        | 4,404,179    |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (c)  | 245          | 268,888      |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (c)            | 275          | 275,000      |
| PolyOne Corp., 7.38%, 9/15/20                      | 320          | 344,800      |
| Solutia, Inc., 7.88%, 3/15/20                      | 910          | 1,066,975    |
| TPC Group LLC, 8.25%, 10/01/17                     | 495          | 522,225      |
|  |              | 15,606,565   |
| <b>Commercial Banks 2.3%</b>                       |              |              |
| CIT Group, Inc.:                                   |              |              |
| 7.00%, 5/02/16 (c)                                 | 4,958        | 4,964,197    |
| 7.00%, 5/01/17                                     | 0.00         | 0.00         |
| 7.00%, 5/02/17 (c)                                 | 3,555        | 3,559,444    |
| 5.50%, 2/15/19 (c)                                 | 890          | 908,913      |
| Glitnir Banki HF, 6.38%, 9/25/12 (b)(c)(g)         | 1,005        |              |
|  |              | 9,432,554    |
| <b>Commercial Services &amp; Supplies 2.0%</b>     |              |              |
| ACCO Brands Corp., 10.63%, 3/15/15                 | 490          | 540,842      |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (c)   | 800          | 792,992      |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)    | 250          | 260,732      |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c) | 38           | 36,100       |
| Casella Waste Systems, Inc., 7.75%, 2/15/19        | 969          | 964,155      |
| Clean Harbors, Inc., 7.63%, 8/15/16                | 540          | 572,400      |
| Iron Mountain, Inc., 7.75%, 10/01/19               | 620          | 685,100      |
| Mobile Mini, Inc., 7.88%, 12/01/20                 | 545          | 572,250      |
| RSC Equipment Rental, Inc.:                        |              |              |
| 10.00%, 7/15/17 (c)                                | 870          | 1,009,200    |
| 8.25%, 2/01/21                                     | 1,287        | 1,364,220    |
| Verisure Holding AB:                               |              |              |
| 8.75%, 9/01/18                                     | EUR 274      | 368,701      |
| 8.75%, 12/01/18                                    | 134          | 158,890      |
| WCA Waste Corp., 7.50%, 6/15/19 (c)                | USD 490      | 496,125      |
| West Corp., 8.63%, 10/01/18                        | 205          | 224,987      |
|  |              | 8,046,694    |
| <b>Communications Equipment 0.8%</b>               |              |              |
| Avaya, Inc., 9.75%, 11/01/15                       | 1,110        | 1,110,000    |
| Frontier Communications Corp., 6.25%, 1/15/13      | 1,330        | 1,373,225    |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19     | 550          | 583,000      |
|  |              | 3,066,225    |
| <b>Computers &amp; Peripherals 0.1%</b>            |              |              |
| SanDisk Corp., 1.50%, 8/15/17 (f)                  | 330          | 395,175      |

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**Construction & Engineering 0.1%**

|   |     |     |         |
|---|-----|-----|---------|
| Abengoa SA, 8.50%, 3/31/16                            | EUR | 150 | 204,881 |
| Boart Longyear Management Ltd., 7.00%,<br>4/01/21 (c) | USD | 275 | 289,438 |
|   |     |     | 494,319 |

**Construction Materials 0.2%**

|                    |     |     |         |
|--------------------|-----|-----|---------|
| Xefin Lux SCA:     |     |     |         |
| 8.00%, 6/01/18     | EUR | 100 | 133,896 |
| 8.00%, 6/01/18 (c) |     | 376 | 503,449 |
|                    |     |     | 637,345 |

**Corporate Bonds**

**Consumer Finance 1.7%**

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| Credit Acceptance Corp., 9.13%, 2/01/17                       | USD | 660          | \$ 702,900 |
| Ford Motor Credit Co. LLC:                                    |     |              |            |
| 7.80%, 6/01/12  |     | 300          | 303,698    |
| 7.00%, 4/15/15  |     | 3,030        | 3,363,300  |
| 12.00%, 5/15/15   |     | 1,090        | 1,370,613  |
| 6.63%, 8/15/17  |     | 193          | 218,701    |
| 5.88%, 8/02/21  |     | 641          | 715,338    |
| Springleaf Finance (FKA AGFS Funding Co.),<br>6.90%, 12/15/17 |     | 155          | 120,125    |
|   |     |              | 6,794,675  |

**Containers & Packaging 1.3%**

|   |     |     |           |
|---|-----|-----|-----------|
| Ardagh Packaging Finance Plc:                             |     |     |           |
| 7.38%, 10/15/17 (c)                                       |     | 210 | 225,750   |
| 7.38%, 10/15/17 (c)                                       | EUR | 600 | 843,346   |
| 7.38%, 10/15/17   |     | 100 | 140,558   |
| 9.13%, 10/15/20 (c)                                       | USD | 590 | 609,175   |
| Berry Plastics Corp.:                                     |     |     |           |
| 4.42%, 9/15/14 (h)  |     | 445 | 426,087   |
| 8.25%, 11/15/15   |     | 175 | 188,125   |
| 9.75%, 1/15/21  |     | 530 | 567,100   |
| GCL Holdings SCA, 9.38%, 4/15/18 (c)                      | EUR | 394 | 468,496   |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18 | USD | 550 | 605,000   |
| OI European Group BV, 6.88%, 3/31/17                      | EUR | 233 | 322,843   |
| Sealed Air Corp., 8.38%, 9/15/21 (c)                      | USD | 375 | 429,375   |
| Smurfit Kappa Acquisitions, 7.75%, 11/15/19 (c)           | EUR | 418 | 600,061   |
|   |     |     | 5,425,916 |

**Diversified Consumer Services 1.5%**

|   |     |       |           |
|---|-----|-------|-----------|
| Service Corp. International, 7.00%, 6/15/17 | USD | 4,425 | 4,956,000 |
| ServiceMaster Co., 8.00%, 2/15/20 (c)       |     | 970   | 1,023,350 |
|   |     |       | 5,979,350 |

**Diversified Financial Services 5.3%**

|   |     |       |           |
|---|-----|-------|-----------|
| Ally Financial, Inc.:                                 |     |       |           |
| 7.50%, 12/31/13                                       |     | 460   | 489,900   |
| 8.30%, 2/12/15  |     | 930   | 1,027,650 |
| 6.25%, 12/01/17                                       |     | 760   | 785,550   |
| 7.50%, 9/15/20  |     | 1,000 | 1,101,250 |
| 8.00%, 11/01/31                                       |     | 1,705 | 1,903,206 |
| 8.00%, 11/01/31                                       |     | 920   | 998,251   |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16 |     | 552   | 588,570   |
| Boparan Holdings Ltd. (c):                            |     |       |           |
| 9.75%, 4/30/18  | EUR | 155   | 203,202   |
| 9.88%, 4/30/18  | GBP | 210   | 329,078   |
| DPL, Inc., 7.25%, 10/15/21 (c)                        | USD | 1,165 | 1,328,100 |
| FCE Bank Plc, 4.75%, 1/19/15                          | EUR | 1,614 | 2,204,068 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18    | USD | 460   | 496,413   |
| Lehman Brothers Holdings, Inc. (b)(g):                |     |       |           |

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|   |     |       |           |
|---|-----|-------|-----------|
| 5.38%, 10/17/12                         | EUR | 200   | 73,010    |
| 5.75%, 5/17/13                          | USD | 915   | 248,194   |
| 4.75%, 1/16/14                          | EUR | 1,130 | 412,507   |
| 1.00%, 2/05/14                          |     | 2,350 | 876,653   |
| 8.80%, 3/01/15                          | USD | 255   | 69,169    |
| Leucadia National Corp., 8.13%, 9/15/15 |     | 1,148 | 1,277,150 |
| Reynolds Group Issuer, Inc.:            |     |       |           |
| 8.75%, 10/15/16 (c)                     |     | 848   | 903,120   |
| 8.75%, 10/15/16 (c)                     | EUR | 394   | 557,734   |
| 8.75%, 10/15/16                         |     | 726   | 1,027,702 |
| 7.13%, 4/15/19 (c)                      | USD | 365   | 385,987   |
| 7.88%, 8/15/19 (c)                      |     | 1,585 | 1,735,575 |
| 9.88%, 8/15/19 (c)                      |     | 1,615 | 1,669,506 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Diversified Financial Services (concluded)</b>              |              |            |
| WMG Acquisition Corp. (c):                                     |              |            |
| 9.50%, 6/15/16   | USD 180      | \$ 198,900 |
| 11.50%, 10/01/18   | 865          | 919,062    |
|  |              | 21,809,507 |
| <b>Diversified Telecommunication Services 3.2%</b>             |              |            |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12          | 1,530        | 1,373,175  |
| GCI, Inc., 6.75%, 6/01/21                                      | 424          | 429,300    |
| ITC Deltacom, Inc., 10.50%, 4/01/16                            | 420          | 437,850    |
| Level 3 Escrow, Inc., 8.13%, 7/01/19 (c)                       | 3,569        | 3,738,527  |
| Level 3 Financing, Inc., 8.63%, 7/15/20 (c)                    | 1,570        | 1,675,975  |
| Qwest Communications International, Inc.:                      |              |            |
| 7.50%, 2/15/14   | 2,010        | 2,017,035  |
| 8.00%, 10/01/15  | 940          | 1,009,032  |
| Qwest Corp., 7.63%, 6/15/15                                    | 850          | 966,950    |
| Videotron Ltee, 5.00%, 7/15/22 (c)                             | 210          | 210,525    |
| Windstream Corp.:  |              |            |
| 8.13%, 8/01/13   | 510          | 546,975    |
| 7.88%, 11/01/17  | 630          | 710,325    |
|  |              | 13,115,669 |
| <b>Electric Utilities 0.8%</b>                                 |              |            |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14             | EUR 2,450    | 3,050,333  |
| <b>Electronic Equipment, Instruments &amp; Components 0.2%</b> |              |            |
| Elster Finance BV, 6.25%, 4/15/18 (c)                          | 165          | 222,907    |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | USD 350      | 416,500    |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (c)                     | 300          | 339,375    |
|  |              | 978,782    |
| <b>Energy Equipment &amp; Services 3.1%</b>                    |              |            |
| Antero Resources Finance Corp., 7.25%,<br>8/01/19 (c)          | 245          | 258,475    |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          | 205          | 215,763    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                       | 585          | 585,000    |
| Compagnie Générale de Géophysique-Veritas,<br>7.75%, 5/15/17   | 365          | 380,056    |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                    | 540          | 531,900    |
| Frac Tech Services LLC, 7.63%, 11/15/18 (c)                    | 2,595        | 2,770,162  |
| Key Energy Services, Inc., 6.75%, 3/01/21                      | 665          | 696,588    |
| MEG Energy Corp., 6.50%, 3/15/21 (c)                           | 1,455        | 1,556,850  |
| Oil States International, Inc., 6.50%, 6/01/19                 | 470          | 505,250    |
| Peabody Energy Corp., 6.25%, 11/15/21 (c)                      | 3,870        | 4,053,825  |
| Transocean, Inc., 6.38%, 12/15/21                              | 1,115        | 1,315,867  |
|  |              | 12,869,736 |
| <b>Food Products 0.2%</b>                                      |              |            |
| Darling International, Inc., 8.50%, 12/15/18                   | 360          | 405,000    |
| Post Holdings, Inc., 7.38%, 2/15/22 (c)                        | 335          | 356,775    |
|  |              | 761,775    |
| <b>Health Care Equipment &amp; Supplies 2.2%</b>               |              |            |
| Biomet, Inc.:  |              |            |
| 10.00%, 10/15/17   | 285          | 309,581    |

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|   |       |           |
|---|-------|-----------|
| 10.38%, 10/15/17 (i)  | 2,145 | 2,335,369 |
| DJO Finance LLC:  |       |           |
| 10.88%, 11/15/14  | 3,425 | 3,484,937 |
| 7.75%, 4/15/18  | 155   | 133,300   |
| Fresenius Medical Care US Finance II, Inc., 5.88%,<br>1/31/22 (c) | 965   | 1,018,075 |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (c)    | 308   | 341,110   |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)                 | 800   | 924,000   |
| Teleflex, Inc., 6.88%, 6/01/19                                    | 435   | 468,713   |
|   |       | 9,015,085 |

| Corporate Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Health Care Providers &amp; Services 5.6%</b>                  |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                     | USD 615      | \$ 628,837 |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)                     | EUR 694      | 959,289    |
| Crown Newco 3 Plc, 7.00%, 2/15/18                                 | GBP 547      | 858,257    |
| HCA, Inc.:  |              |            |
| 8.50%, 4/15/19  | USD 200      | 224,000    |
| 6.50%, 2/15/20  | 2,950        | 3,163,875  |
| 7.88%, 2/15/20  | 135          | 148,838    |
| 7.25%, 9/15/20  | 3,840        | 4,185,600  |
| 5.88%, 3/15/22  | 405          | 415,125    |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (c)         | 1,385        | 1,443,862  |
| IASIS Healthcare LLC, 8.38%, 5/15/19                              | 1,120        | 1,069,600  |
| INC Research LLC, 11.50%, 7/15/19 (c)                             | 605          | 580,800    |
| inVentiv Health, Inc., 10.00%, 8/15/18 (c)                        | 195          | 177,450    |
| Omnicare, Inc., 7.75%, 6/01/20                                    | 1,460        | 1,626,075  |
| PSS World Medical, Inc., 6.38%, 3/01/22 (c)                       | 425          | 442,000    |
| Symbion, Inc., 8.00%, 6/15/16                                     | 510          | 492,150    |
| Tenet Healthcare Corp.:   |              |            |
| 10.00%, 5/01/18   | 807          | 940,155    |
| 6.25%, 11/01/18 (c)   | 485          | 517,131    |
| 8.88%, 7/01/19  | 4,400        | 5,016,000  |
|   |              | 22,889,044 |
| <b>Health Care Technology 1.0%</b>                                |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (c)                             | 3,550        | 4,224,500  |
| <b>Hotels, Restaurants &amp; Leisure 2.6%</b>                     |              |            |
| Caesars Entertainment Operating Co., Inc.:                        |              |            |
| 11.25%, 6/01/17   | 510          | 558,450    |
| 10.00%, 12/15/18  | 2,155        | 1,664,737  |
| Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (c)                | 1,060        | 1,081,200  |
| Diamond Resorts Corp., 12.00%, 8/15/18                            | 1,770        | 1,867,350  |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (c)                         | 200          | 190,500    |
| Enterprise Inns Plc, 6.50%, 12/06/18                              | GBP 477      | 614,676    |
| Little Traverse Bay Bands of Odawa Indians, 9.00%,<br>8/31/20 (c) | USD 433      | 381,040    |
| MGM Resorts International:  |              |            |
| 10.38%, 5/15/14   | 395          | 449,313    |
| 4.25%, 4/15/15 (f)  | 795          | 852,638    |
| 11.13%, 11/15/17  | 2,085        | 2,371,687  |
| Travelport LLC:   |              |            |
| 5.15%, 9/01/14 (h)  | 245          | 125,563    |
| 9.88%, 9/01/14  | 55           | 31,488     |
| 9.00%, 3/01/16  | 180          | 95,400     |
| 6.58%, 12/01/16 (c)(h)(i)   | 599          | 422,358    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (b)(g) | 475          |            |
|   |              | 10,706,400 |

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| <b>Household Durables 1.5%</b>           |     |       |           |
|--|-----|-------|-----------|
| Beazer Homes USA, Inc., 12.00%, 10/15/17 |     | 1,960 | 2,136,400 |
| Jarden Corp., 7.50%, 1/15/20             | EUR | 447   | 601,493   |
| Ryland Group, Inc., 6.63%, 5/01/20       | USD | 500   | 510,000   |
| Standard Pacific Corp.:                  |     |       |           |
| 10.75%, 9/15/16                          |     | 2,210 | 2,538,737 |
| 8.38%, 1/15/21                           |     | 435   | 462,188   |
|  |     |       | 6,248,818 |
| <b>Household Products 0.5%</b>           |     |       |           |
| Ontex IV SA, 7.50%, 4/15/18 (c)          | EUR | 220   | 269,657   |
| Spectrum Brands Holdings, Inc.:          |     |       |           |
| 9.50%, 6/15/18                           | USD | 530   | 604,200   |
| 9.50%, 6/15/18 (c)                       |     | 865   | 986,100   |
|  |     |       | 1,859,957 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Corporate Bonds</b>                                       |              |              |
| <b>Independent Power Producers &amp; Energy Traders 2.7%</b> |              |              |
| The AES Corp., 7.38%, 7/01/21 (c)                            | USD 965      | \$ 1,100,100 |
| Calpine Corp. (c):   |              |              |
| 7.25%, 10/15/17  | 265          | 280,900      |
| 7.50%, 2/15/21   | 150          | 162,750      |
| 7.88%, 1/15/23   | 420          | 457,800      |
| Energy Future Holdings Corp., 10.00%, 1/15/20                | 4,640        | 5,017,000    |
| Energy Future Intermediate Holding Co. LLC:                  |              |              |
| 10.00%, 12/01/20   | 1,413        | 1,534,871    |
| 11.75%, 3/01/22 (c)  | 1,260        | 1,291,500    |
| Laredo Petroleum, Inc., 9.50%, 2/15/19                       | 755          | 832,388      |
| QEP Resources, Inc., 5.38%, 10/01/22                         | 488          | 492,880      |
|  |              | 11,170,189   |
| <b>Industrial Conglomerates 2.4%</b>                         |              |              |
| Sequa Corp. (c):   |              |              |
| 11.75%, 12/01/15   | 3,550        | 3,771,875    |
| 13.50%, 12/01/15   | 5,797        | 6,188,059    |
|  |              | 9,959,934    |
| <b>Insurance 1.0%</b>  |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)(j)             | 2,500        | 2,628,125    |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (c)                | 543          | 584,404      |
| Genworth Financial, Inc., 7.63%, 9/24/21                     | 630          | 653,640      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)            | 375          | 334,687      |
|  |              | 4,200,856    |
| <b>IT Services 1.7%</b>                                      |              |              |
| Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)                | 820          | 848,700      |
| First Data Corp.:  |              |              |
| 7.38%, 6/15/19 (c)   | 285          | 288,206      |
| 8.88%, 8/15/20 (c)   | 795          | 860,588      |
| 8.25%, 1/15/21 (c)   | 950          | 919,125      |
| 12.63%, 1/15/21  | 2,150        | 2,257,500    |
| SunGard Data Systems, Inc.:                                  |              |              |
| 7.38%, 11/15/18  | 650          | 698,750      |
| 7.63%, 11/15/20  | 880          | 950,400      |
|  |              | 6,823,269    |
| <b>Machinery 0.8%</b>  |              |              |
| Navistar International Corp.:                                |              |              |
| 3.00%, 10/15/14 (f)  | 493          | 555,241      |
| 8.25%, 11/01/21  | 180          | 196,875      |
| SPX Corp., 6.88%, 9/01/17                                    | 260          | 288,600      |
| UR Financing Escrow Corp. (c)(k):                            |              |              |
| 5.75%, 7/15/18   | 379          | 389,423      |
| 7.38%, 5/15/20   | 520          | 533,650      |
| 7.63%, 4/15/22   | 1,406        | 1,455,210    |
|  |              | 3,418,999    |
| <b>Media 14.2%</b>   |              |              |
| Affinion Group, Inc., 7.88%, 12/15/18                        | 1,200        | 1,074,000    |
| AMC Networks, Inc., 7.75%, 7/15/21 (c)                       | 330          | 367,950      |
| CCH II LLC, 13.50%, 11/30/16                                 | 4,549        | 5,231,387    |
| CCO Holdings LLC:  |              |              |

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|  |       |           |
|--|-------|-----------|
| 7.88%, 4/30/18                                     | 160   | 174,800   |
| 7.38%, 6/01/20                                     | 390   | 429,000   |
| 6.50%, 4/30/21                                     | 724   | 769,250   |
| Checkout Holding Corp., 10.96%, 11/15/15 (c)(e)    | 995   | 447,750   |
| Cinemark USA, Inc., 8.63%, 6/15/19                 | 375   | 417,187   |
| Clear Channel Communications, Inc., 9.00%, 3/01/21 | 815   | 749,800   |
| Clear Channel Worldwide Holdings, Inc.:            |       |           |
| 9.25%, 12/15/17                                    | 2,201 | 2,410,095 |
| 7.63%, 3/15/20 (c)                                 | 1,545 | 1,545,000 |
| Series B, 9.25%, 12/15/17                          | 8,680 | 9,548,000 |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Media (concluded)</b>  |              |              |
| Cox Enterprises, Inc.:  |              |              |
| Loan Close 2, 4.00%, 8/15/18  | USD 1,028    | \$ 1,042,802 |
| Loan Close 3, 4.00%, 8/15/18  | 1,175        | 1,192,222    |
| Shares Loan, 4.00%, 8/15/18   | 1,212        | 1,229,600    |
| CSC Holdings LLC, 8.50%, 4/15/14  | 580          | 643,800      |
| DISH DBS Corp.:   |              |              |
| 7.00%, 10/01/13   | 140          | 150,325      |
| 6.75%, 6/01/21  | 610          | 677,100      |
| Gray Television, Inc., 10.50%, 6/29/15                                      | 1,420        | 1,499,875    |
| Harland Clarke Holdings Corp.:  |              |              |
| 6.00%, 5/15/15 (h)  | 510          | 348,075      |
| 9.50%, 5/15/15  | 460          | 362,250      |
| Intelsat Luxembourg SA:   |              |              |
| 11.25%, 6/15/16   | 2,240        | 2,368,800    |
| 11.25%, 2/04/17   | 530          | 546,562      |
| 11.50%, 2/04/17 (i)   | 1,945        | 2,003,350    |
| Interactive Data Corp., 10.25%, 8/01/18                                     | 1,990        | 2,243,725    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     | 500          | 572,500      |
| Kabel BW Erste Beteiligungs GmbH, 7.50%,<br>3/15/19 (c)                     | EUR 988      | 1,408,454    |
| Kabel Deutschland Vertrieb und Service GmbH & Co.<br>KG, 6.50%, 6/29/18 (c) | 505          | 709,876      |
| Lamar Media Corp., 5.88%, 2/01/22 (c)                                       | USD 295      | 307,906      |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)                         | 1,130        | 1,202,037    |
| Musketeer GmbH, 9.50%, 3/15/21  | EUR 518      | 745,342      |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (c)                      | USD 825      | 907,500      |
| Nielsen Finance LLC:  |              |              |
| 11.63%, 2/01/14   | 91           | 105,788      |
| 7.75%, 10/15/18   | 3,340        | 3,715,750    |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)                                   | GBP 308      | 483,872      |
| ProQuest LLC, 9.00%, 10/15/18 (c)   | USD 745      | 659,325      |
| Unitymedia GmbH:  |              |              |
| 9.63%, 12/01/19   | EUR 235      | 338,138      |
| 9.63%, 12/01/19   | 845          | 1,215,856    |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC<br>Germany GmbH):                  |              |              |
| 8.13%, 12/01/17 (c)   | USD 935      | 1,014,475    |
| 8.13%, 12/01/17   | EUR 662      | 948,131      |
| UPC Holding BV, 9.88%, 4/15/18 (c)  | USD 640      | 710,400      |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (c)                                    | EUR 1,218    | 1,614,627    |
| UPCB Finance II, Ltd., 6.38%, 7/01/20                                       | 514          | 681,378      |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18                            | GBP 476      | 817,850      |
| Ziggo Bond Co. BV, 8.00%, 5/15/18   | EUR 583      | 821,393      |
| Ziggo Finance BV, 6.13%, 11/15/17 (c)                                       | 1,085        | 1,499,753    |
|   |              | 57,953,056   |

**Metals & Mining 3.1%**

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|   |     |       |            |
|---|-----|-------|------------|
| Goldcorp, Inc., 2.00%, 8/01/14 (f)                    | USD | 1,575 | 1,996,312  |
| New World Resources NV, 7.88%, 5/01/18                | EUR | 990   | 1,338,761  |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (f) | USD | 2,170 | 2,994,600  |
| Novelis, Inc., 8.75%, 12/15/20                        |     | 4,920 | 5,485,800  |
| Taseko Mines Ltd., 7.75%, 4/15/19                     |     | 605   | 580,800    |
| Vedanta Resources Plc, 8.25%, 6/07/21 (c)             |     | 415   | 382,838    |
|   |     |       | 12,779,111 |
| <b>Multiline Retail 1.7%</b>                          |     |       |            |
| Dollar General Corp., 11.88%, 7/15/17 (h)             |     | 6,421 | 7,047,112  |
| <b>Oil, Gas &amp; Consumable Fuels 10.6%</b>          |     |       |            |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21         |     | 595   | 577,150    |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)        |     | 660   | 679,800    |
| Berry Petroleum Co., 8.25%, 11/01/16                  |     | 750   | 781,875    |
| Bill Barrett Corp., 9.88%, 7/15/16                    |     | 35    | 38,675     |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)      |     | 375   | 392,812    |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                     |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>         |              |            |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18                   | USD 190      | \$ 197,600 |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (c)    | 405          | 419,175    |
| Chesapeake Oilfield Operating LLC, 6.63%,<br>11/15/19 (c)  | 80           | 81,600     |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (c)              | 392          | 419,440    |
| Concho Resources, Inc., 7.00%, 1/15/21                     | 610          | 686,250    |
| Consol Energy, Inc., 8.25%, 4/01/20                        | 2,895        | 3,155,550  |
| Continental Resources, Inc., 7.13%, 4/01/21                | 545          | 604,950    |
| Copano Energy LLC, 7.13%, 4/01/21                          | 495          | 524,700    |
| Crosstex Energy LP, 8.88%, 2/15/18                         | 265          | 287,525    |
| Crown Oil Partners IV LP, 15.00%, 3/07/15                  | 869          | 868,882    |
| Denbury Resources, Inc.:                                   |              |            |
| 8.25%, 2/15/20   | 935          | 1,065,900  |
| 6.38%, 8/15/21   | 520          | 573,300    |
| Energy XXI Gulf Coast, Inc.:                               |              |            |
| 9.25%, 12/15/17  | 825          | 913,687    |
| 7.75%, 6/15/19   | 1,330        | 1,403,150  |
| EV Energy Partners LP, 8.00%, 4/15/19                      | 215          | 225,750    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (c)                    | 1,115        | 1,215,350  |
| Holly Energy Partners LP, 6.50%, 3/01/20 (c)               | 230          | 234,888    |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)                | 480          | 513,600    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (c)   | 145          | 147,900    |
| 6.25%, 11/01/19 (c)  | 2,680        | 2,676,650  |
| 8.63%, 4/15/20   | 330          | 366,300    |
| 7.75%, 2/01/21   | 305          | 327,875    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20               | 195          | 213,038    |
| Newfield Exploration Co., 6.88%, 2/01/20                   | 1,390        | 1,501,200  |
| Niska Gas Storage US LLC, 8.88%, 3/15/18                   | 835          | 801,600    |
| Oasis Petroleum, Inc.:                                     |              |            |
| 7.25%, 2/01/19   | 480          | 508,800    |
| 6.50%, 11/01/21  | 430          | 442,900    |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (c) | 6,975        | 7,271,437  |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (c)                    | 505          | 505,000    |
| PetroBakken Energy, Ltd., 8.63%, 2/01/20 (c)               | 1,285        | 1,365,312  |
| Petrohawk Energy Corp.:                                    |              |            |
| 10.50%, 8/01/14  | 555          | 616,744    |
| 7.88%, 6/01/15   | 695          | 734,094    |
| 7.25%, 8/15/18   | 470          | 537,562    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)            | 650          | 682,500    |
| Pioneer Natural Resources Co.:                             |              |            |
| 6.88%, 5/01/18   | 680          | 798,777    |
| 7.50%, 1/15/20   | 215          | 265,691    |
| Plains Exploration & Production Co.:                       |              |            |
| 6.63%, 5/01/21   | 1,180        | 1,274,400  |
| 6.75%, 2/01/22   | 750          | 821,250    |
| Precision Drilling Corp., 6.50%, 12/15/21 (c)              | 440          | 469,700    |
| Range Resources Corp.:                                     |              |            |

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|   |       |            |
|---|-------|------------|
| 8.00%, 5/15/19                            | 515   | 574,225    |
| 5.75%, 6/01/21                            | 1,445 | 1,546,150  |
| 5.00%, 8/15/22 (k)                        | 644   | 650,440    |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (c)     | 575   | 573,847    |
| Samson Investment Co., 9.75%, 2/15/20 (c) | 940   | 989,350    |
| SandRidge Energy, Inc., 7.50%, 3/15/21    | 675   | 681,750    |
| SM Energy Co., 6.63%, 2/15/19             | 195   | 209,138    |
|   |       | 43,415,239 |

| Corporate Bonds  | Par (000) | Value        |
|--|-----------|--------------|
| <b>Paper &amp; Forest Products 2.5%</b>                    |           |              |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(i)          | USD 1,816 | \$ 1,325,406 |
| Boise Paper Holdings LLC:                                  |           |              |
| 9.00%, 11/01/17  | 645       | 709,500      |
| 8.00%, 4/01/20   | 240       | 263,400      |
| Clearwater Paper Corp.:                                    |           |              |
| 10.63%, 6/15/16  | 585       | 664,706      |
| 7.13%, 11/01/18  | 865       | 921,225      |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (c)                    | 2,395     | 2,653,246    |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (c) | 505       | 518,888      |
| NewPage Corp., 11.38%, 12/31/14 (b)(g)                     | 3,130     | 1,885,825    |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)              | 200       | 187,500      |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                  | 1,139     | 1,161,780    |
|  |           | 10,291,476   |

|   |         |           |
|---|---------|-----------|
| <b>Pharmaceuticals 0.6%</b>                               |         |           |
| Capsugel Finance Co. SCA:                                 |         |           |
| 9.88%, 8/01/19  | EUR 100 | 143,222   |
| 9.88%, 8/01/19 (c)  | 300     | 429,667   |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (c)                | USD 620 | 678,125   |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (c) | 1,265   | 1,290,300 |
|   |         | 2,541,314 |

|                                       |       |           |
|---------------------------------------|-------|-----------|
| <b>Professional Services 0.4%</b>     |       |           |
| FTI Consulting, Inc., 6.75%, 10/01/20 | 1,370 | 1,481,313 |

|   |       |           |
|---|-------|-----------|
| <b>Real Estate Investment Trusts (REITs) 0.7%</b> |       |           |
| Felcor Lodging LP, 6.75%, 6/01/19                 | 2,070 | 2,116,575 |
| The Rouse Co. LP, 6.75%, 11/09/15                 | 770   | 805,612   |
|   |       | 2,922,187 |

|  |       |           |
|--|-------|-----------|
| <b>Real Estate Management &amp; Development 2.4%</b> |       |           |
| CB Richard Ellis Services, Inc., 6.63%, 10/15/20     | 500   | 531,250   |
| Forest City Enterprises, Inc., 7.63%, 6/01/15        | 2,300 | 2,265,500 |
| Realogy Corp.:                                       |       |           |
| 11.50%, 4/15/17                                      | 575   | 526,125   |
| 12.00%, 4/15/17                                      | 145   | 133,400   |
| 7.88%, 2/15/19 (c)                                   | 3,455 | 3,351,350 |
| 7.63%, 1/15/20 (c)                                   | 750   | 774,375   |
| 9.00%, 1/15/20 (c)                                   | 535   | 537,675   |
| Shea Homes LP, 8.63%, 5/15/19 (c)                    | 1,775 | 1,792,750 |
|  |       | 9,912,425 |

|  |         |           |
|--|---------|-----------|
| <b>Road &amp; Rail 1.6%</b>                      |         |           |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19       | 190     | 198,075   |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 610     | 616,100   |
| Hertz Corp.:                                     |         |           |
| 7.50%, 10/15/18                                  | 960     | 1,035,600 |
| 6.75%, 4/15/19 (c)                               | 430     | 450,425   |
| 6.75%, 4/15/19                                   | 165     | 172,837   |
| 7.38%, 1/15/21                                   | 730     | 790,225   |
| Hertz Holdings Netherlands BV:                   |         |           |
| 8.50%, 7/31/15                                   | EUR 277 | 398,571   |
| 8.50%, 7/31/15 (c)                               | 1,975   | 2,841,795 |



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|   |  |     |     |           |
|---|--|-----|-----|-----------|
|   |  |     |     | 6,503,628 |
| <b>Semiconductors &amp; Semiconductor</b> |  |     |     |           |
| <b>Equipment 0.2%</b>                     |  |     |     |           |
| Spanion LLC, 7.88%, 11/15/17              |  | USD | 850 | 835,125   |
| <b>Software 0.2%</b>                      |  |     |     |           |
| Sophia LP, 9.75%, 1/15/19 (c)             |  |     | 645 | 693,375   |

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Consolidated Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value       |
|---|-----|--------------|-------------|
| <b>Corporate Bonds</b>  |     |              |             |
| <b>Specialty Retail 2.4%</b>                                      |     |              |             |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20                    | USD | 540          | \$ 579,150  |
| Hillman Group, Inc., 10.88%, 6/01/18                              |     | 790          | 827,525     |
| House of Fraser Funding Plc:                                      |     |              |             |
| 8.88%, 8/15/18 (c)  | GBP | 420          | 598,019     |
| 8.88%, 8/15/18  |     | 221          | 314,672     |
| Limited Brands, Inc.:   |     |              |             |
| 8.50%, 6/15/19  | USD | 1,170        | 1,398,150   |
| 5.63%, 2/15/22  |     | 235          | 242,050     |
| Phones4u Finance Plc, 9.50%, 4/01/18 (c)                          | GBP | 545          | 760,828     |
| QVC, Inc. (c):  |     |              |             |
| 7.13%, 4/15/17  | USD | 340          | 365,500     |
| 7.50%, 10/01/19   |     | 920          | 1,021,200   |
| 7.38%, 10/15/20   |     | 440          | 487,300     |
| Sally Holdings LLC, 6.88%, 11/15/19 (c)                           |     | 805          | 865,375     |
| Sonic Automotive, Inc., 9.00%, 3/15/18                            |     | 550          | 598,125     |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)                      |     | 220          | 226,050     |
| United Auto Group, Inc., 7.75%, 12/15/16                          |     | 1,550        | 1,615,891   |
|   |     |              | 9,899,835   |
| <b>Transportation Infrastructure 0.2%</b>                         |     |              |             |
| Aguila 3 SA, 7.88%, 1/31/18 (c)                                   |     | 632          | 664,390     |
| <b>Wireless Telecommunication Services 5.3%</b>                   |     |              |             |
| Cricket Communications, Inc., 7.75%, 5/15/16                      |     | 900          | 958,500     |
| Digicel Group Ltd. (c):   |     |              |             |
| 8.88%, 1/15/15  |     | 1,030        | 1,048,025   |
| 9.13%, 1/15/15  |     | 2,787        | 2,842,740   |
| 8.25%, 9/01/17  |     | 1,650        | 1,749,000   |
| 10.50%, 4/15/18   |     | 800          | 872,000     |
| iPCS, Inc., 2.67%, 5/01/13 (h)                                    |     | 1,460        | 1,405,250   |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20                     | EUR | 400          | 548,907     |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20                          | USD | 1,600        | 1,648,000   |
| NII Capital Corp., 7.63%, 4/01/21                                 |     | 992          | 1,014,320   |
| Sprint Capital Corp., 6.88%, 11/15/28                             |     | 3,540        | 2,761,200   |
| Sprint Nextel Corp. (c):  |     |              |             |
| 9.00%, 11/15/18   |     | 3,240        | 3,612,600   |
| 7.00%, 3/01/20  |     | 2,970        | 3,018,263   |
|   |     |              | 21,478,805  |
| <b>Total Corporate Bonds 101.8%</b>                               |     |              | 416,340,716 |
| <b>Floating Rate Loan Interests (h)</b>                           |     |              |             |
| <b>Airlines 0.2%</b>  |     |              |             |
| Delta Air Lines, Inc., Credit New Term Loan B,<br>5.50%, 4/20/17  |     | 854          | 833,427     |
| <b>Auto Components 0.2%</b>                                       |     |              |             |
| Schaeffler AG, Term Loan C2, 5.29%, 1/27/17                       |     | 735          | 737,146     |
| <b>Building Products 0.2%</b>                                     |     |              |             |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17 |     | 748          | 759,414     |
| <b>Capital Markets 0.4%</b>                                       |     |              |             |

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Nuveen Investments, Inc., Incremental Term Loan

(First Lien):

|                |     |           |
|----------------|-----|-----------|
| 7.25%, 5/13/17 | 995 | 1,001,965 |
| 7.25%, 3/14/19 | 615 | 620,381   |
|                |     | 1,622,346 |

**Chemicals 0.2%**

PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B

(First Lien), 3.50%, 7/30/14 348 339,356

Styron Sarl LLC, Term Loan B, 6.00% 6.75%, 8/02/17 692 624,186

963,542

**Floating Rate Loan Interests (h)**

**Commercial Services & Supplies 0.7%**

AWAS Finance Luxembourg Sarl, Term Loan B,

5.25%, 6/10/16 USD 707 \$ 704,788

Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16 875 875,936

Volume Services America, Inc. (FKA Centerplate),

Term Loan B, 10.50% 10.75%, 9/16/16 1,481 1,487,427

3,068,151

**Communications Equipment 0.1%**

Avaya, Inc., Term Loan B1, 3.24%, 10/24/14 290 283,756

**Construction & Engineering 0.7%**

Safeway Services LLC, Mezzanine Loan, 15.63%,

12/16/17 3,000 3,000,000

**Consumer Finance 1.7%**

Springleaf Finance Corp. (FKA AGFS Funding Co.),

Term Loan, 5.50%, 5/10/17 7,480 6,818,843

**Diversified Consumer Services 0.0%**

ServiceMaster Co.:

Delayed Draw Term Loan, 2.75%, 7/24/14 13 12,461

Term Loan, 2.77% 3.03%, 7/24/14 127 125,134

137,595

**Diversified Telecommunication Services 0.5%**

Level 3 Financing, Inc.:

Term Loan B, 5.75%, 8/31/18 1,200 1,208,256

Tranche A Term Loan, 2.83%, 3/13/14 750 737,625

1,945,881

**Electronic Equipment, Instruments &**

**Components 0.1%**

CDW LLC (FKA CDW Corp.):

Extended Term Loan, 4.00%, 7/14/17 410 400,701

Term Loan, 3.75%, 10/10/14 155 153,990

554,691

**Energy Equipment & Services 2.2%**

CCS Corp., Incremental Term Loan, 5.62%,

10/17/14 405 405,405

Dynegy Midwest Generation LLC., Coal Co. Term Loan,

9.25%, 8/04/16 2,943 2,926,418

Dynegy Power LLC., Gas Co. Term Loan, 9.25%,

8/04/16 5,386 5,555,832

8,887,655

**Food & Staples Retailing 0.1%**

US Foodservice, Inc., Term Loan B, 2.74%, 7/03/14 250 241,250

**Food Products 0.3%**

Advance Pierre Foods, Term Loan (Second Lien),

11.25%, 9/29/17 1,300 1,301,079

**Health Care Equipment & Supplies 0.3%**

Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19 1,120 1,119,306

**Health Care Providers & Services 0.7%**

Harden Healthcare LLC:

Term Loan A, 8.50%, 3/02/15 574 562,318

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|   |       |           |
|---|-------|-----------|
| Tranche A Additional Term Loan, 7.75%, 3/02/15                      | 659   | 645,584   |
| Health Management Associates, Inc., Term Loan B,<br>4.50%, 11/16/18 | 580   | 576,230   |
| inVentiv Health, Inc., Combined Term Loan, 6.50%,<br>8/04/16        | 1,237 | 1,189,088 |
|   |       | 2,973,220 |

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Floating Rate Loan Interests (h)</b>   |              |              |
| <b>Hotels, Restaurants &amp; Leisure 1.3%</b>   |              |              |
| Caesars Entertainment Operating Co., Inc.:  |              |              |
| Term Loan B-3, 3.00% 3.58%, 1/28/15   | USD 3,081    | \$ 2,886,683 |
| Term Loan B-4, 9.50%, 10/31/16  | 720          | 740,621      |
| OSI Restaurant Partners LLC:  |              |              |
| Revolver, 2.56% 2.79%, 6/14/13  | 14           | 13,572       |
| Term Loan B, 2.56%, 6/14/14   | 141          | 137,678      |
| Station Casinos, Inc., Term Loan B1, 3.24%,<br>6/17/16  | 1,550        | 1,397,588    |
| Travelport LLC (FKA Travelport, Inc.):  |              |              |
| Extended Tranche A Term Loan, 6.54%, 9/28/12  | 276          | 130,985      |
| Extended Tranche B Term Loan, 14.04%, 12/01/16  | 857          | 192,775      |
|   |              | 5,499,902    |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.1%</b>  |              |              |
| Texas Competitive Electric Holdings Co. LLC<br>(FKA TXU), Extended Term Loan, 4.76%, 10/10/17                 | 1,103        | 615,276      |
| <b>Industrial Conglomerates 0.2%</b>  |              |              |
| Sequa Corp., Incremental Term Loan, 6.25%,<br>12/03/14  | 650          | 652,165      |
| <b>IT Services 0.3%</b>   |              |              |
| First Data Corp., Extended Term Loan B, 4.24%,<br>3/23/18   | 1,160        | 1,040,914    |
| <b>Leisure Equipment &amp; Products 0.2%</b>  |              |              |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/20/13   | 865          | 875,544      |
| <b>Media 5.1%</b>   |              |              |
| Cengage Learning Acquisitions, Inc.<br>(FKA Thomson Learning):  |              |              |
| Term Loan, 2.49%, 7/03/14   | 485          | 450,080      |
| Tranche 1 Incremental Term Loan, 7.50%,<br>7/03/14  | 2,412        | 2,334,094    |
| Cequel Communications LLC, Term Loan B, 4.00%,<br>2/11/19   | 865          | 856,151      |
| Clear Channel Communication:  |              |              |
| Term Loan B, 3.89%, 1/28/16   | 3,180        | 2,609,805    |
| Term Loan C, 3.89%, 1/28/16   | 567          | 449,112      |
| HMH Publishing Co. Ltd., Tranche A Term Loan,<br>6.51%, 6/12/14   | 1,348        | 833,119      |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson<br>Holdings, Ltd.), Tranche B Term Loan, 5.25%,<br>4/02/18 | 10,669       | 10,651,237   |
| Interactive Data Corp., Term Loan B, 4.50%,<br>2/12/18  | 75           | 74,831       |
| Newsday LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13   | 2,150        | 2,211,812    |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17                              | 500          | 464,325      |
|   |              | 20,934,566   |
| <b>Multiline Retail 0.3%</b>  |              |              |

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|  |     |       |           |
|--|-----|-------|-----------|
| HEMA Holding BV, Mezzanine, 9.19%, 7/05/17 (i)                           | EUR | 1,407 | 1,433,892 |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>                              |     |       |           |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15                | USD | 2,453 | 2,464,830 |
| <b>Paper &amp; Forest Products 0.5%</b>                                  |     |       |           |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                             |     | 900   | 906,750   |
| Verso Paper Finance Holdings LLC, Term Loan,<br>6.79% 7.54%, 2/01/13 (i) |     | 2,162 | 1,080,868 |
|  |     |       | 1,987,618 |

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (h)</b>   |     |              |              |
| <b>Pharmaceuticals 0.5%</b>   |     |              |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17   | USD | 1,485        | \$ 1,472,378 |
| Pharmaceutical Product Development, Inc.,<br>Term Loan, 9.50%, 12/05/18                       |     | 580          | 585,075      |
|   |     |              | 2,057,453    |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>   |     |              |              |
| iStar Financial, Inc., Term Loan (Second Lien),<br>5.00%, 6/28/13                             |     | 2,506        | 2,494,721    |
| <b>Real Estate Management &amp; Development 0.3%</b>  |     |              |              |
| Realogy Corp.:  |     |              |              |
| Extended Letter of Credit, 4.53%, 10/10/16  |     | 164          | 152,237      |
| Extended Term Loan, 4.77%, 10/10/16   |     | 1,084        | 1,006,096    |
|   |     |              | 1,158,333    |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.0%</b>                                  |     |              |              |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17   |     | 100          | 99,250       |
| <b>Software 0.2%</b>  |     |              |              |
| Infor Enterprise Solutions Holdings, Inc., Extended<br>Delayed Draw Term Loan, 6.29%, 7/28/15 |     | 675          | 659,813      |
| <b>Specialty Retail 0.2%</b>  |     |              |              |
| Claire's Stores, Inc., Term Loan B, 2.99% 3.30%,<br>5/29/14                                   |     | 778          | 736,782      |
| <b>Wireless Telecommunication Services 1.3%</b>   |     |              |              |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/25/19                              |     | 345          | 343,430      |
| Vodafone Americas Finance 2, Inc. (i):  |     |              |              |
| Term Loan, 6.88%, 8/11/15   |     | 3,046        | 3,045,701    |
| Term Loan B, 6.25%, 7/11/16   |     | 1,908        | 1,903,043    |
|   |     |              | 5,292,174    |
| <b>Total Floating Rate Loan Interests 20.3%</b>   |     |              | 83,250,535   |

|  |  | Beneficial<br>Interest<br>(000) |       |
|--|--|---------------------------------|-------|
| <b>Other Interests (l)</b>                           |  |                                 |       |
| <b>Auto Components 0.0%</b>                          |  |                                 |       |
| Lear Corp. Escrow                                    |  | 790                             | 7,900 |
| <b>Chemicals 0.0%</b>                                |  |                                 |       |
| Wellman Holdings, Inc., Litigation Trust Certificate |  | 4,650                           | 46    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>        |  |                                 |       |
| Buffets, Inc. (b)                                    |  | 970                             | 10    |
| <b>Media 0.0%</b>                                    |  |                                 |       |
| Adelphia Escrow (b)                                  |  | 1,250                           | 12    |
| Adelphia Recovery Trust (b)                          |  | 1,568                           | 157   |
|  |  |                                 | 169   |
| <b>Total Other Interests 0.0%</b>                    |  |                                 | 8,125 |

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| <b>Preferred Securities</b>                   | <b>Par<br/>(000)</b> |         |
|---|----------------------|---------|
| <b>Capital Trusts 0.2%</b>                    |                      |         |
| <b>Insurance 0.2%</b>                         |                      |         |
| Genworth Financial, Inc., 6.15%, 11/15/66 (h) | 1,270                | 871,538 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Shares  | Value        |
|--|---------|--------------|
| <b>Preferred Stocks</b>                                    |         |              |
| <b>Auto Components 0.8%</b>                                |         |              |
| Dana Holding Corp., 4.00% (c)(f)                           | 25,990  | \$ 3,498,904 |
| <b>Diversified Financial Services 1.1%</b>                 |         |              |
| Ally Financial, Inc., 7.00% (c)                            | 5,010   | 4,347,114    |
| <b>Media 0.1%</b>  |         |              |
| TRA Global, Inc., 0.00% (b)                                | 420,689 | 517,448      |
| <b>Real Estate Investment Trusts (REITs) 0.0%</b>          |         |              |
| MPG Office Trust, Inc., Series A, 7.63% (b)                | 13,326  | 189,229      |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>                 |         |              |
| Fannie Mae, Series O, 7.00% (b)(h)                         | 40,000  | 74,000       |
| Freddie Mac, Series Z, 8.38% (b)(h)                        | 108,377 | 160,398      |
|  |         | 234,398      |
| <b>Total Preferred Stocks 2.1%</b>                         |         | 8,787,093    |
| <br>   |         |              |
| <b>Trust Preferreds</b>                                    |         |              |
| <b>Diversified Financial Services 0.9%</b>                 |         |              |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (f)         | 109,590 | 2,564,683    |
| RBS Capital Funding Trust VII, 6.08%, 12/31/49 (f)         | 67,000  | 915,890      |
| <b>Total Trust Preferreds 0.9%</b>                         |         | 3,480,573    |
| <b>Total Preferred Securities 3.2%</b>                     |         | 13,139,204   |
| <br>   |         |              |
| <b>Warrants (m)</b>  |         |              |
| <b>Containers &amp; Packaging 0.0%</b>                     |         |              |
| MDP Acquisitions Plc (Expires 10/10/13)                    | 1,100   | 58,653       |
| <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     |              |
| <b>Media 0.1%</b>  |         |              |
| Cumulus Media, Inc. (Expires 3/26/19)                      | 62,894  | 454,271      |
| New Vision Holdings LLC (Expires 9/30/14)                  | 26,189  | 454,271      |
| <b>Software 0.0%</b>                                       |         |              |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17) | 491     |              |
| HMH Holdings/EduMedia (Expires 3/09/17)                    | 20,878  |              |
| <b>Total Warrants 0.1%</b>                                 |         | 512,925      |
| <b>Total Long-Term Investments</b>                         |         |              |
| (Cost \$533,487,280) 133.7%                                |         | 547,150,702  |

Options Purchased

Contracts



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|   |               |       |             |
|---|---------------|-------|-------------|
| <b>Exchange-Traded Put Options</b>              | <b>0.1%</b>   |       |             |
| SPDR S&P 500 ETF Trust:                         |               |       |             |
| Strike Price USD 134.00, Expires 3/17/12        |               | 1,725 | 162,150     |
| Strike Price USD 136.00, Expires 3/17/12        |               | 300   | 47,400      |
| Strike Price USD 136.00, Expires 4/21/12        |               | 300   | 95,700      |
| <b>Total Options Purchased</b>                  |               |       |             |
| <b>(Cost \$664,541)</b>                         | <b>0.1%</b>   |       | 305,250     |
| <b>Total Investments Before Options Written</b> |               |       |             |
| <b>(Cost \$534,151,821)</b>                     | <b>133.8%</b> |       | 547,455,952 |

| Options Written                                  | Contracts      | Value          |
|--|----------------|----------------|
| <b>Exchange-Traded Put Options</b>               | <b>(0.0)%</b>  |                |
| SPDR S&P 500 ETF Trust, Strike Price             |                |                |
| USD 125.00, Expires 3/17/12                      | 1,725          | \$ (25,013)    |
| <b>Total Options Written</b>                     |                |                |
| <b>(Premiums Received \$123,355)</b>             | <b>(0.0)%</b>  | (25,013)       |
| <b>Total Investments, Net of Options Written</b> | <b>133.8%</b>  | 547,430,939    |
| <b>Liabilities in Excess of Other Assets</b>     | <b>(33.8)%</b> | (138,255,059)  |
| <b>Net Assets</b>                                | <b>100.0%</b>  | \$ 409,175,880 |

- (a) Restricted security as to resale. As of report date the Trust held 2.7% of its net assets, with a current value of \$11,248,714 in this security.
- (b) Non-income producing security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Convertible security.
- (g) Issuer filed for bankruptcy and/or is in default of interest payments.
- (h) Variable rate security. Rate shown is as of report date.
- (i) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (j) All or a portion of security has been pledged as collateral in connection with swaps.
- (k) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                     | Value        | Unrealized Appreciation |
|----------------------------------|--------------|-------------------------|
| Bank of America Securities, Inc. | \$ 650,440   | \$ 6,440                |
| Morgan Stanley & Co., Inc.       | \$ 2,378,283 | \$ 73,283               |

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

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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| <b>Affiliate</b>   | <b>Shares Held at<br/>August 31,<br/>2011</b> | <b>Net<br/>Activity</b> | <b>Shares Held at<br/>February 29,<br/>2012</b> | <b>Income</b> |
|--|---|-------------------------|---|---------------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 1,171,689                                     | (1,171,689)             | \$  | 397           |

Financial futures contracts sold as of February 29, 2012 were as follows:

| <b>Contracts</b> | <b>Issue</b>            | <b>Exchange</b>       | <b>Expiration</b> | <b>Notional<br/>Value</b> | <b>Unrealized<br/>Depreciation</b> |
|------------------|-------------------------|-----------------------|-------------------|---------------------------|------------------------------------|
| 179              | S&P 500<br>Index E-Mini | Chicago<br>Mercantile | March 2012        | \$ 12,211,380 \$          | (387,946)                          |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency Purchased |            | Currency Sold |            | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|------------|----------------------------|-----------------|--|
| GBP                | 110,000    | USD           | 172,509    | Royal Bank of Scotland Plc | 4/11/12         | \$ 2,440                               |
| USD                | 1,461,430  | CAD           | 1,500,000  | Citibank NA                | 4/11/12         | (53,214)                               |
| USD                | 3,457,588  | CAD           | 3,531,000  | Royal Bank of Scotland Plc | 4/11/12         | (107,884)                              |
| USD                | 4,940,604  | GBP           | 3,223,000  | UBS Securities LLC         | 4/11/12         | (185,410)                              |
| EUR                | 170,000    | USD           | 220,118    | Citibank NA                | 4/18/12         | 6,417                                  |
| EUR                | 480,000    | USD           | 646,239    | Deutsche Bank AG           | 4/18/12         | (6,610)                                |
| USD                | 27,919,892 | EUR           | 21,736,000 | Citibank NA                | 4/18/12         | (1,044,650)                            |
| USD                | 389,040    | EUR           | 296,000    | Citibank NA                | 4/18/12         | (5,398)                                |
| USD                | 809,101    | EUR           | 610,000    | Citibank NA                | 4/18/12         | (3,761)                                |
| USD                | 194,527    | EUR           | 147,000    | Citibank NA                | 4/18/12         | (1,359)                                |
| USD                | 153,982    | EUR           | 119,000    | Deutsche Bank AG           | 4/18/12         | (4,593)                                |
| USD                | 66,299     | EUR           | 50,000     | Deutsche Bank AG           | 4/18/12         | (329)                                  |
| USD                | 1,178,909  | EUR           | 905,000    | Royal Bank of Scotland Plc | 4/18/12         | (27,058)                               |
| USD                | 501,389    | EUR           | 378,000    | Royal Bank of Scotland Plc | 4/18/12         | (2,319)                                |
| USD                | 627,484    | EUR           | 475,000    | UBS Securities LLC         | 4/18/12         | (5,482)                                |
| <b>Total</b>       |            |               |            |                            |                 | \$ (1,439,210)                         |

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

| Issuer                    | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------|-----------------------------|-----------------|-----------------------|--|
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 155                | \$ (8,626)                             |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 130                | (8,465)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 250                | (13,059)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 130                | (3,687)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 130                | (4,649)                                |
| Republic of Hungary       | 1.00%          | Deutsche Bank AG            | 12/20/15        | \$ 450                | 23,961                                 |
| Realogy Corp.             | 5.00%          | Goldman Sachs International | 9/20/16         | \$ 200                | (23,109)                               |
| iStar Financial, Inc.     | 5.00%          | Deutsche Bank AG            | 12/20/16        | \$ 350                | (35,906)                               |
| Israel (State of)         | 1.00%          | Deutsche Bank AG            | 3/20/17         | \$ 335                | (3,483)                                |
| Israel Government Bond    | 1.00%          | Deutsche Bank AG            | 3/20/17         | \$ 1,000              | (11,089)                               |
| <b>Total</b>              |                |                             |                 |                       | \$ (88,112)                            |

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

Issuer Counterparty

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|                                     | Receive<br>Fixed<br>Rate |  | Expiration<br>Date | Issuer<br>Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation<br>(Depreciation) |
|-------------------------------------|--------------------------|--|--------------------|---|--|--|
| Air Lease Corp.                     | 5.00%                    | Goldman Sachs<br>International           | 2/14/13            | Not Rated                               | \$ 800                                   | \$ 1,103                                     |
| CIT Group, Inc.                     | 5.00%                    | Deutsche Bank<br>AG                      | 9/20/15            | BB                                      | \$ 4,700                                 | 313,885                                      |
| ARAMARK Corp.                       | 5.00%                    | Goldman Sachs<br>International           | 3/20/16            | B                                       | \$ 750                                   | 39,744                                       |
| ARAMARK Corp.                       | 5.00%                    | Goldman Sachs<br>International           | 6/20/16            | B                                       | \$ 500                                   | 23,789                                       |
| ARAMARK Corp.                       | 5.00%                    | Goldman Sachs<br>International           | 6/20/16            | B                                       | \$ 500                                   | 26,932                                       |
| ARAMARK Corp.                       | 5.00%                    | Credit Suisse<br>Securities<br>(USA) LLC | 9/20/16            | B                                       | \$ 200                                   | 16,201                                       |
| ARAMARK Corp.                       | 5.00%                    | Goldman Sachs<br>International           | 9/20/16            | B                                       | \$ 200                                   | 15,461                                       |
| ARAMARK Corp.                       | 5.00%                    | Goldman Sachs<br>International           | 9/20/16            | B                                       | \$ 450                                   | 20,322                                       |
| Bausch & Lomb, Inc.                 | 5.00%                    | Credit Suisse<br>Securities<br>(USA) LLC | 3/20/17            | B                                       | \$ 160                                   | 8,011  |
| ARAMARK Corp.                       | 5.00%                    | Deutsche Bank<br>AG                      | 3/20/17            | B                                       | \$ 295                                   | 6,353  |
| Crown Castle<br>International Corp. | 7.25%                    | Deutsche Bank<br>AG                      | 3/20/17            | B                                       | \$ 690                                   | 14,966                                       |
| Ford Motor Co.                      | 5.00%                    | Deutsche Bank<br>AG                      | 3/20/17            | BB+                                     | \$ 2,200                                 | 132,448                                      |
| CCO Holdings LLC                    | 8.00%                    | Deutsche Bank<br>AG                      | 9/20/17            | BB                                      | \$ 2,400                                 | (134)  |
| <b>Total</b>                        |                          |  |                    |   |  | \$ 619,081                                   |

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

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

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

See Notes to Financial Statements.



## Consolidated Schedule of Investments (concluded)

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs             | Level 1       | Level 2        | Level 3       | Total          |
|------------------------------|---------------|----------------|---------------|----------------|
| <b>Assets:</b>               |               |                |               |                |
| Investments:                 |               |                |               |                |
| Long-Term Investments:       |               |                |               |                |
| Common Stocks                | \$ 14,848,884 | \$ 11,847,986  | \$ 7,202,327  | \$ 33,899,197  |
| Corporate Bonds              |               | 409,644,549    | 6,696,167     | 416,340,716    |
| Floating Rate Loan Interests |               | 69,391,312     | 13,859,223    | 83,250,535     |
| Other Interests              | 157           |                | 7,968         | 8,125          |
| Preferred Securities         | 3,904,201     | 8,717,556      | 517,447       | 13,139,204     |
| Warrants                     |               | 512,924        | 1             | 512,925        |
| <b>Total</b>                 | \$ 18,753,242 | \$ 500,114,327 | \$ 28,283,133 | \$ 547,150,702 |

| Valuation Inputs                                    | Level 1      | Level 2        | Level 3    | Total          |
|---|--------------|----------------|------------|----------------|
| <b>Derivative Financial Instruments<sup>1</sup></b> |              |                |            |                |
| <b>Assets:</b>                                      |              |                |            |                |
| Credit contracts                                    |              | \$ 313,222     | \$ 329,954 | \$ 643,176     |
| Foreign currency exchange contracts                 |              | 8,857          |            | 8,857          |
| Equity contracts                                    | \$ 305,250   |                |            | 305,250        |
| <b>Liabilities:</b>                                 |              |                |            |                |
| Credit contracts                                    |              | (112,073)      | (134)      | (112,207)      |
| Foreign currency exchange contracts                 |              | (1,448,067)    |            | (1,448,067)    |
| Equity contracts                                    | (412,959)    |                |            | (412,959)      |
| <b>Total</b>  | \$ (107,709) | \$ (1,238,061) | \$ 329,820 | \$ (1,015,950) |

<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 table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

|                                | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Securities | Warrants   | Total         |
|--------------------------------|---------------|-----------------|------------------------------|-----------------|----------------------|------------|---------------|
| <b>Assets:</b>                 |               |                 |                              |                 |                      |            |               |
| Balance, as of August 31, 2011 | \$ 3,390,998  | \$ 8,408,570    | \$ 14,224,136                | \$ 3,097,694    | \$ 985,270           | \$ 355,505 | \$ 30,462,173 |
| Accrued discounts/premiums     |               | 3,387           | 120,185                      |                 |                      |            | 123,572       |

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|   |                     |                     |                      |                 |                   |             |                      |
|---|---------------------|---------------------|----------------------|-----------------|-------------------|-------------|----------------------|
| Net realized gain (loss)  | 8,788               | (3,496,785)         | (359,806)            |                 |                   |             | (3,847,803)          |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 2,239,989           | 3,519,894           | (839,134)            | (3,089,726)     | (467,823)         | (275)       | 1,362,925            |
| Purchases   | 1,573,669           | 935,832             | 620,035              |                 |                   |             | 3,129,536            |
| Sales   | (11,117)            | (2,674,731)         | (991,223)            |                 |                   |             | (3,677,071)          |
| Transfers in <sup>3</sup>                                       |                     |                     | 3,304,905            |                 |                   |             | 3,304,905            |
| Transfers out <sup>3</sup>                                      |                     |                     | (2,219,875)          |                 |                   | (355,229)   | (2,575,104)          |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 7,202,327</b> | <b>\$ 6,696,167</b> | <b>\$ 13,859,223</b> | <b>\$ 7,968</b> | <b>\$ 517,447</b> | <b>\$ 1</b> | <b>\$ 28,283,133</b> |

<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 investments still held at February 29, 2012 was \$(2,179,491).

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

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

|   | Credit<br>Contracts |
|---|---------------------|
| <b>Liabilities:</b>   |                     |
| Balance, as of August 31, 2011                                  |                     |
| Accrued discounts/premiums                                      | \$ (43,709)         |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 329,820             |
| Purchases   |                     |
| Issuances <sup>5</sup>  | 408,569             |
| Sales   |                     |
| Settlements <sup>6</sup>  | (364,860)           |
| Transfers in <sup>7</sup>                                       |                     |
| Transfers out <sup>7</sup>                                      |                     |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 329,820</b>   |

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$329,820.

<sup>5</sup> Issuances represent upfront cash received on certain derivative financial instruments.

<sup>6</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

<sup>7</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Consolidated Schedule of Investments February 29, 2012 (Unaudited)

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

| Common Stocks   | Shares      | Value        |
|---|-------------|--------------|
| <b>Auto Components 3.1%</b>   |             |              |
| Dana Holding Corp. (a)  | 94,250      | \$ 1,508,000 |
| Delphi Automotive Plc   | 21,191      | 678,109      |
| Delphi Automotive Plc (180-day lock)<br>(Acquired 11/17/11, cost \$4,028,721) (b) | 355,462     | 11,090,417   |
|   |             | 13,276,526   |
| <b>Capital Markets 0.3%</b>   |             |              |
| E*Trade Financial Corp. (a)   | 116,200     | 1,119,006    |
| <b>Commercial Banks 0.2%</b>  |             |              |
| CIT Group, Inc. (a)   | 26,110      | 1,062,938    |
| <b>Communications Equipment 0.4%</b>  |             |              |
| Loral Space & Communications Ltd. (a)   | 21,531      | 1,533,868    |
| <b>Diversified Financial Services 0.6%</b>  |             |              |
| Kcad Holdings I Ltd.  | 305,538,344 | 2,797,204    |
| <b>Diversified Telecommunication Services 0.1%</b>                                |             |              |
| Level 3 Communications, Inc. (a)  | 23,800      | 578,578      |
| <b>Electrical Equipment 0.0%</b>  |             |              |
| Medis Technologies Ltd. (a)   | 116,910     | 585          |
| <b>Energy Equipment &amp; Services 1.2%</b>                                       |             |              |
| Laricina Energy Ltd. (a)  | 70,588      | 3,031,977    |
| Osum Oil Sands Corp. (a)  | 124,000     | 1,566,527    |
| Transocean Ltd.   | 8,400       | 448,056      |
|   |             | 5,046,560    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                     |             |              |
| Buffets Restaurants Holdings, Inc. (a)  | 1,816       | 182          |
| Travelport Worldwide Ltd.   | 118,935     | 59,467       |
|   |             | 59,649       |
| <b>Media 1.7%</b>   |             |              |
| Belo Corp., Class A   | 73,341      | 525,855      |
| Charter Communications, Inc. (a)  | 101,076     | 6,409,229    |
| Clear Channel Outdoor Holdings, Inc., Class A (a)                                 | 14,553      | 192,536      |
|   |             | 7,127,620    |
| <b>Metals &amp; Mining 0.1%</b>   |             |              |
| African Minerals Ltd. (a)   | 72,301      | 660,981      |
| <b>Paper &amp; Forest Products 0.2%</b>   |             |              |
| Ainsworth Lumber Co. Ltd. (a)   | 221,591     | 349,368      |
| Ainsworth Lumber Co. Ltd. (a)   | 192,951     | 304,213      |
| Western Forest Products, Inc. (a)   | 78,039      | 75,716       |
|   |             | 729,297      |
| <b>Professional Services 0.0%</b>   |             |              |
| Pendrell Corp. (a)  | 5,400       | 13,068       |
| <b>Road &amp; Rail 0.2%</b>   |             |              |
| Dollar Thrifty Automotive Group, Inc. (a)   | 9,100       | 690,781      |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>                          |             |              |
| Spansion, Inc., Class A (a)   | 103,218     | 1,321,190    |
| SunPower Corp. (a)  | 431         | 3,246        |
|   |             | 1,324,436    |
| <b>Software 0.0%</b>  |             |              |
| Bankruptcy Management Solutions, Inc. (a)   | 787         | 16           |
| HMH Holdings/EduMedia   | 141,287     | 35,322       |



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|   |             |              |       | 35,338       |
|---|-------------|--------------|-------|--------------|
| <b>Total Common Stocks</b>                          | <b>8.4%</b> |              |       | 36,056,435   |
|   |             | <b>Par</b>   |       |              |
|   |             | <b>(000)</b> |       | <b>Value</b> |
| <b>Corporate Bonds</b>                              |             |              |       |              |
| <b>Aerospace &amp; Defense 0.5%</b>                 |             |              |       |              |
| Huntington Ingalls Industries, Inc.:                |             |              |       |              |
| 6.88%, 3/15/18                                      |             | USD          | 370   | \$ 389,425   |
| 7.13%, 3/15/21                                      |             |              | 520   | 557,050      |
| Kratos Defense & Security Solutions, Inc.,          |             |              |       |              |
| 10.00%, 6/01/17                                     |             |              | 1,144 | 1,232,660    |
|   |             |              |       | 2,179,135    |
| <b>Airlines 2.2%</b>                                |             |              |       |              |
| American Airlines Pass-Through Trust, Series        |             |              |       |              |
| 2011-2, Class A, 8.63%, 4/15/23                     |             |              | 1,744 | 1,848,640    |
| Continental Airlines, Inc.:                         |             |              |       |              |
| 6.75%, 9/15/15 (c)                                  |             |              | 900   | 909,000      |
| 6.90%, 7/02/18                                      |             |              | 793   | 791,454      |
| Series 2010-1, Class B, 6.00%, 7/12/20              |             |              | 672   | 651,508      |
| Delta Air Lines, Inc.:                              |             |              |       |              |
| Series 2009-1-B, Class B, 9.75%, 6/17/18            |             |              | 293   | 310,913      |
| Series 2010-1-B, 6.38%, 7/02/17                     |             |              | 900   | 841,500      |
| United Air Lines, Inc., 12.75%, 7/15/12             |             |              | 3,064 | 3,171,333    |
| US Airways Pass-Through Trust, Series 2011-1,       |             |              |       |              |
| Class C, 10.88%, 10/22/14                           |             |              | 1,070 | 1,070,000    |
|   |             |              |       | 9,594,348    |
| <b>Auto Components 1.8%</b>                         |             |              |       |              |
| Allison Transmission, Inc., 11.00%, 11/01/15 (c)    |             |              | 113   | 119,356      |
| Baker Corp. International, Inc., 8.25%, 6/01/19 (c) |             |              | 325   | 331,500      |
| Dana Holding Corp., 6.75%, 2/15/21                  |             |              | 700   | 757,750      |
| Delphi Corp., 6.13%, 5/15/21 (c)                    |             |              | 260   | 278,850      |
| Icahn Enterprises LP, 8.00%, 1/15/18                |             |              | 5,060 | 5,363,600    |
| International Automotive Components Group, SL,      |             |              |       |              |
| 9.13%, 6/01/18 (c)                                  |             |              | 70    | 62,300       |
| Titan International, Inc., 7.88%, 10/01/17          |             |              | 720   | 765,000      |
|   |             |              |       | 7,678,356    |
| <b>Beverages 0.4%</b>                               |             |              |       |              |
| Cott Beverages, Inc., 8.13%, 9/01/18                |             |              | 413   | 455,333      |
| Crown European Holdings SA (c):                     |             |              |       |              |
| 7.13%, 8/15/18                                      |             | EUR          | 413   | 589,444      |
| 7.13%, 8/15/18                                      |             |              | 465   | 663,660      |
|   |             |              |       | 1,708,437    |
| <b>Biotechnology 0.1%</b>                           |             |              |       |              |
| QHP Pharma, 10.25%, 3/15/15 (c)                     |             | USD          | 349   | 350,942      |
| <b>Building Products 0.7%</b>                       |             |              |       |              |
| Building Materials Corp. of America (c):            |             |              |       |              |
| 7.00%, 2/15/20                                      |             |              | 700   | 759,500      |
| 6.75%, 5/01/21                                      |             |              | 1,580 | 1,718,250    |
| Momentive Performance Materials, Inc.,              |             |              |       |              |
| 11.50%, 12/01/16                                    |             |              | 740   | 621,600      |
|   |             |              |       | 3,099,350    |
| <b>Capital Markets 1.1%</b>                         |             |              |       |              |
| American Capital Ltd., 7.96%, 12/31/13 (d)          |             |              | 1,100 | 1,120,394    |
| E*Trade Financial Corp.:                            |             |              |       |              |
| 12.50%, 11/30/17                                    |             |              | 1,660 | 1,933,900    |
| 3.46%, 8/31/19 (c)(e)(f)                            |             |              | 380   | 359,575      |
| KKR Group Finance Co., 6.38%, 9/29/20 (c)           |             |              | 1,020 | 1,085,501    |
|   |             |              |       | 4,499,370    |
| <b>Chemicals 3.8%</b>                               |             |              |       |              |
| American Pacific Corp., 9.00%, 2/01/15              |             |              | 1,400 | 1,365,000    |
| Ashland, Inc., 9.13%, 6/01/17                       |             |              | 670   | 752,075      |
| Basell Finance Co. BV, 8.10%, 3/15/27 (c)           |             |              | 770   | 881,650      |

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|  |       |           |
|--|-------|-----------|
| Celanese US Holdings LLC, 5.88%, 6/15/21   | 2,780 | 3,030,200 |
| Chemtura Corp., 7.88%, 9/01/18             | 585   | 628,875   |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20 | 485   | 475,300   |
| Huntsman International LLC, 8.63%, 3/15/21 | 265   | 299,450   |
| Ineos Finance Plc, 8.38%, 2/15/19 (c)      | 725   | 770,312   |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Chemicals (concluded)</b>                                   |              |            |
| Kinove German Bondco GmbH, 10.00%, 6/15/18                     | EUR 591      | \$ 809,042 |
| Kraton Polymers LLC, 6.75%, 3/01/19                            | USD 195      | 198,900    |
| Lyondell Chemical Co., 11.00%, 5/01/18                         | 4,232        | 4,639,715  |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (c)              | 250          | 274,375    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (c)                        | 290          | 290,000    |
| PolyOne Corp., 7.38%, 9/15/20                                  | 335          | 360,963    |
| Solutia, Inc., 7.88%, 3/15/20                                  | 955          | 1,119,737  |
| TPC Group LLC, 8.25%, 10/01/17                                 | 520          | 548,600    |
|  |              | 16,444,194 |
| <b>Commercial Banks 2.0%</b>                                   |              |            |
| CIT Group, Inc. (c):   |              |            |
| 7.00%, 5/02/16   | 3,305        | 3,309,131  |
| 7.00%, 5/02/17   | 4,165        | 4,170,206  |
| 5.50%, 2/15/19   | 930          | 949,763    |
|  |              | 8,429,100  |
| <b>Commercial Services &amp; Supplies 2.0%</b>                 |              |            |
| ACCO Brands Corp., 10.63%, 3/15/15                             | 510          | 562,917    |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (c)               | 840          | 832,641    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)                | 159          | 166,264    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c)             | 43           | 40,850     |
| Casella Waste Systems, Inc., 7.75%, 2/15/19                    | 1,016        | 1,010,920  |
| Clean Harbors, Inc., 7.63%, 8/15/16                            | 590          | 625,400    |
| Iron Mountain, Inc., 7.75%, 10/01/19                           | 640          | 707,200    |
| Mobile Mini, Inc., 7.88%, 12/01/20                             | 570          | 598,500    |
| RSC Equipment Rental, Inc.:                                    |              |            |
| 10.00%, 7/15/17 (c)  | 935          | 1,084,600  |
| 8.25%, 2/01/21   | 1,348        | 1,428,880  |
| Verisure Holding AB:   |              |            |
| 8.75%, 9/01/18   | EUR 385      | 518,065    |
| 8.75%, 12/01/18  | 139          | 164,819    |
| WCA Waste Corp., 7.50%, 6/15/19 (c)                            | USD 520      | 526,500    |
| West Corp., 8.63%, 10/01/18                                    | 210          | 230,475    |
|  |              | 8,498,031  |
| <b>Communications Equipment 0.8%</b>                           |              |            |
| Avaya, Inc., 9.75%, 11/01/15                                   | 1,160        | 1,160,000  |
| Frontier Communications Corp., 6.25%, 1/15/13                  | 1,390        | 1,435,175  |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19                 | 580          | 614,800    |
|  |              | 3,209,975  |
| <b>Computers &amp; Peripherals 0.1%</b>                        |              |            |
| SanDisk Corp., 1.50%, 8/15/17 (f)                              | 340          | 407,150    |
| <b>Construction &amp; Engineering 0.1%</b>                     |              |            |
| Abengoa SA, 8.50%, 3/31/16                                     | EUR 200      | 273,175    |
| Boart Longyear Management Property Ltd.,<br>7.00%, 4/01/21 (c) | USD 300      | 315,750    |
|  |              | 588,925    |
| <b>Construction Materials 0.2%</b>                             |              |            |
| Xefin Lux SCA:   |              |            |
| 8.00%, 6/01/18   | EUR 210      | 281,182    |
| 8.00%, 6/01/18 (c)   | 393          | 526,211    |
|  |              | 807,393    |

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| <b>Consumer Finance 1.7%</b>                |              |       |              |
|---|--------------|-------|--------------|
| Credit Acceptance Corp., 9.13%, 2/01/17     | USD          | 710   | 756,150      |
| Ford Motor Credit Co. LLC:                  |              |       |              |
| 7.80%, 6/01/12                              |              | 300   | 303,698      |
| 7.00%, 4/15/15                              |              | 3,140 | 3,485,400    |
| 12.00%, 5/15/15                             |              | 1,150 | 1,446,060    |
| 6.63%, 8/15/17                              |              | 185   | 209,635      |
| 5.88%, 8/02/21                              |              | 907   | 1,012,187    |
| Springleaf Finance (FKA AGFS Funding Co.),  |              |       |              |
| 6.90%, 12/15/17                             |              | 160   | 124,000      |
|   |              |       | 7,337,130    |
|   | <b>Par</b>   |       | <b>Value</b> |
|   | <b>(000)</b> |       |              |
| <b>Corporate Bonds</b>                      |              |       |              |
| <b>Containers &amp; Packaging 1.3%</b>      |              |       |              |
| Ardagh Packaging Finance Plc:               |              |       |              |
| 7.38%, 10/15/17 (c)                         | USD          | 210   | \$ 225,750   |
| 7.38%, 10/15/17                             | EUR          | 100   | 140,558      |
| 7.38%, 10/15/17 (c)                         |              | 574   | 806,801      |
| 9.13%, 10/15/20 (c)                         | USD          | 615   | 634,987      |
| Berry Plastics Corp.:                       |              |       |              |
| 4.42%, 9/15/14 (g)                          |              | 465   | 445,238      |
| 8.25%, 11/15/15                             |              | 185   | 198,875      |
| 9.75%, 1/15/21                              |              | 560   | 599,200      |
| GCL Holdings SCA, 9.38%, 4/15/18 (c)        | EUR          | 414   | 492,278      |
| Graphic Packaging International, Inc.,      |              |       |              |
| 7.88%, 10/01/18                             | USD          | 580   | 638,000      |
| OI European Group BV, 6.88%, 3/31/17        | EUR          | 254   | 351,940      |
| Sealed Air Corp., 8.38%, 9/15/21 (c)        | USD          | 395   | 452,275      |
| Smurfit Kappa Acquisitions (c):             |              |       |              |
| 7.25%, 11/15/17                             | EUR          | 52    | 74,129       |
| 7.75%, 11/15/19                             |              | 449   | 644,563      |
|   |              |       | 5,704,594    |
| <b>Diversified Consumer Services 1.5%</b>   |              |       |              |
| Service Corp. International, 7.00%, 6/15/17 | USD          | 4,775 | 5,348,000    |
| ServiceMaster Co., 8.00%, 2/15/20 (c)       |              | 1,020 | 1,076,100    |
|   |              |       | 6,424,100    |
| <b>Diversified Financial Services 5.0%</b>  |              |       |              |
| Ally Financial, Inc.:                       |              |       |              |
| 7.50%, 12/31/13                             |              | 700   | 745,500      |
| 8.30%, 2/12/15                              |              | 950   | 1,049,750    |
| 6.25%, 12/01/17                             |              | 820   | 847,567      |
| 7.50%, 9/15/20                              |              | 1,050 | 1,156,312    |
| 8.00%, 11/01/31                             |              | 1,820 | 2,031,575    |
| 8.00%, 11/01/31                             |              | 950   | 1,030,802    |
| Axcan Intermediate Holdings, Inc., 12.75%,  |              |       |              |
| 3/01/16                                     |              | 577   | 615,226      |
| Boparan Holdings Ltd. (c):                  |              |       |              |
| 9.75%, 4/30/18                              | EUR          | 166   | 217,623      |
| 9.88%, 4/30/18                              | GBP          | 225   | 352,583      |
| DPL, Inc., 7.25%, 10/15/21 (c)              | USD          | 1,230 | 1,402,200    |
| FCE Bank Plc, 4.75%, 1/19/15                | EUR          | 1,793 | 2,448,509    |
| General Motors Financial Co., Inc., 6.75%,  |              |       |              |
| 6/01/18                                     | USD          | 460   | 496,413      |
| Leucadia National Corp., 8.13%, 9/15/15     |              | 1,232 | 1,370,600    |
| Reynolds Group Issuer, Inc. (c):            |              |       |              |
| 8.75%, 10/15/16                             |              | 941   | 1,002,165    |
| 8.75%, 10/15/16 (h)                         | EUR          | 385   | 544,994      |
| 8.75%, 10/15/16                             |              | 756   | 1,070,170    |
| 7.13%, 4/15/19                              | USD          | 385   | 407,138      |
| 7.88%, 8/15/19                              |              | 1,645 | 1,801,275    |
| 9.88%, 8/15/19                              |              | 1,695 | 1,752,206    |

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|   |       |            |
|---|-------|------------|
| WMG Acquisition Corp. (c):                            |       |            |
| 9.50%, 6/15/16  | 190   | 209,950    |
| 11.50%, 10/01/18                                      | 910   | 966,875    |
|   |       | 21,519,433 |
| <b>Diversified Telecommunication Services 3.3%</b>    |       |            |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 | 1,680 | 1,507,800  |
| GCI, Inc., 6.75%, 6/01/21                             | 444   | 449,550    |
| ITC Deltacom, Inc., 10.50%, 4/01/16                   | 440   | 458,700    |
| Level 3 Escrow, Inc., 8.13%, 7/01/19 (c)              | 3,737 | 3,914,507  |
| Level 3 Financing, Inc., 8.63%, 7/15/20 (c)           | 1,660 | 1,772,050  |
| Qwest Communications International, Inc.:             |       |            |
| 7.50%, 2/15/14  | 2,100 | 2,107,350  |
| 8.00%, 10/01/15                                       | 1,010 | 1,084,172  |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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Consolidated Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Diversified Telecommunication Services (concluded)</b>      |     |              |            |
| Qwest Corp., 7.63%, 6/15/15                                    | USD | 875          | \$ 995,389 |
| Videotron Ltee, 5.00%, 7/15/22 (c)                             |     | 230          | 230,575    |
| Windstream Corp.:  |     |              |            |
| 8.13%, 8/01/13   |     | 703          | 753,968    |
| 7.88%, 11/01/17  |     | 627          | 706,943    |
|  |     |              | 13,981,004 |
| <b>Electric Utilities 0.8%</b>                                 |     |              |            |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14             | EUR | 2,600        | 3,237,088  |
| <b>Electronic Equipment, Instruments &amp; Components 0.2%</b> |     |              |            |
| Elster Finance BV, 6.25%, 4/15/18 (c)                          |     | 173          | 233,715    |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | USD | 365          | 434,350    |
| NXP BV/NXP Funding LLC, 9.75%, 8/01/18 (c)                     |     | 310          | 350,687    |
|  |     |              | 1,018,752  |
| <b>Energy Equipment &amp; Services 3.2%</b>                    |     |              |            |
| Antero Resources Finance Corp., 7.25%, 8/01/19 (c)             |     | 260          | 274,300    |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          |     | 215          | 226,288    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                       |     | 610          | 610,000    |
| Compagnie Générale de Géophysique-Veritas, 7.75%, 5/15/17      |     | 395          | 411,294    |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                    |     | 555          | 546,675    |
| Frac Tech Services LLC, 7.63%, 11/15/18 (c)                    |     | 2,730        | 2,914,275  |
| Key Energy Services, Inc., 6.75%, 3/01/21                      |     | 700          | 733,250    |
| MEG Energy Corp., 6.50%, 3/15/21 (c)                           |     | 1,530        | 1,637,100  |
| Oil States International, Inc., 6.50%, 6/01/19                 |     | 495          | 532,125    |
| Peabody Energy Corp., 6.25%, 11/15/21 (c)                      |     | 4,070        | 4,263,325  |
| Transocean, Inc., 6.38%, 12/15/21                              |     | 1,170        | 1,380,775  |
|  |     |              | 13,529,407 |
| <b>Food Products 0.2%</b>                                      |     |              |            |
| Darling International, Inc., 8.50%, 12/15/18                   |     | 375          | 421,875    |
| Post Holdings, Inc., 7.38%, 2/15/22 (c)                        |     | 350          | 372,750    |
|  |     |              | 794,625    |
| <b>Health Care Equipment &amp; Supplies 2.2%</b>               |     |              |            |
| Biomet, Inc.:  |     |              |            |
| 10.00%, 10/15/17   |     | 300          | 325,875    |
| 10.38%, 10/15/17 (i)   |     | 2,240        | 2,438,800  |
| DJO Finance LLC:   |     |              |            |
| 10.88%, 11/15/14   |     | 3,595        | 3,657,912  |
| 7.75%, 4/15/18   |     | 160          | 137,600    |
| Fresenius Medical Care US Finance II, Inc., 5.88%, 1/31/22 (c) |     | 1,010        | 1,065,550  |
| Fresenius Medical Care US Finance, Inc., 6.50%, 9/15/18 (c)    |     | 324          | 358,830    |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)              |     | 850          | 981,750    |
| Teleflex, Inc., 6.88%, 6/01/19                                 |     | 455          | 490,263    |
|  |     |              | 9,456,580  |
| <b>Health Care Providers &amp; Services 5.4%</b>               |     |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                  |     | 640          | 654,400    |

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|   |     |       |           |
|---|-----|-------|-----------|
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)             | EUR | 694   | 959,289   |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (c)                     | GBP | 575   | 902,189   |
| <b>HCA, Inc.:</b>   |     |       |           |
| 8.50%, 4/15/19  | USD | 205   | 229,600   |
| 6.50%, 2/15/20  |     | 3,100 | 3,324,750 |
| 7.88%, 2/15/20  |     | 145   | 159,863   |
| 7.25%, 9/15/20  |     | 4,020 | 4,381,800 |
| 5.88%, 3/15/22  |     | 425   | 435,625   |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (c) |     | 1,460 | 1,522,050 |
| IASIS Healthcare LLC, 8.38%, 5/15/19                      |     | 1,170 | 1,117,350 |
| INC Research LLC, 11.50%, 7/15/19 (c)                     |     | 640   | 614,400   |

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Health Care Providers &amp; Services (concluded)</b>           |     |              |            |
| inVentiv Health, Inc., 10.00%, 8/15/18 (c)                        | USD | 200          | \$ 182,000 |
| Omnicare, Inc., 7.75%, 6/01/20                                    |     | 1,520        | 1,692,900  |
| PSS World Medical, Inc., 6.38%, 3/01/22 (c)                       |     | 450          | 468,000    |
| Symbion, Inc., 8.00%, 6/15/16                                     |     | 535          | 516,275    |
| <b>Tenet Healthcare Corp.:</b>                                    |     |              |            |
| 10.00%, 5/01/18   |     | 1,270        | 1,479,550  |
| 6.25%, 11/01/18 (c)   |     | 510          | 543,787    |
| 8.88%, 7/01/19  |     | 3,360        | 3,830,400  |
|   |     |              | 23,014,228 |
| <b>Health Care Technology 1.0%</b>                                |     |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (c)                             |     | 3,760        | 4,474,400  |
| <b>Hotels, Restaurants &amp; Leisure 2.6%</b>                     |     |              |            |
| <b>Caesars Entertainment Operating Co., Inc.:</b>                 |     |              |            |
| 11.25%, 6/01/17   |     | 535          | 585,825    |
| 10.00%, 12/15/18  |     | 2,265        | 1,749,712  |
| Caesars Operating Escrow, LLC., 8.50%,<br>2/15/20 (c)             |     | 1,105        | 1,127,100  |
| Diamond Resorts Corp., 12.00%, 8/15/18                            |     | 1,860        | 1,962,300  |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (c)                         |     | 210          | 200,025    |
| Enterprise Inns Plc, 6.50%, 12/06/18                              | GBP | 501          | 645,603    |
| Little Traverse Bay Bands of Odawa Indians,<br>9.00%, 8/31/20 (c) | USD | 441          | 388,080    |
| <b>MGM Resorts International:</b>                                 |     |              |            |
| 10.38%, 5/15/14   |     | 415          | 472,063    |
| 4.25%, 4/15/15 (f)  |     | 830          | 890,175    |
| 11.13%, 11/15/17  |     | 2,210        | 2,513,875  |
| <b>Travelport LLC:</b>  |     |              |            |
| 5.15%, 9/01/14 (g)  |     | 235          | 120,438    |
| 9.88%, 9/01/14  |     | 50           | 28,625     |
| 9.00%, 3/01/16  |     | 190          | 100,700    |
| 6.58%, 12/01/16 (c)(g)(i)   |     | 627          | 442,069    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(j) |     | 515          |            |
|   |     |              | 11,226,590 |
| <b>Household Durables 1.5%</b>                                    |     |              |            |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                          |     | 2,080        | 2,267,200  |
| Jarden Corp., 7.50%, 1/15/20                                      | EUR | 455          | 612,258    |
| Ryland Group, Inc., 6.63%, 5/01/20                                | USD | 525          | 535,500    |
| <b>Standard Pacific Corp.:</b>                                    |     |              |            |
| 10.75%, 9/15/16   |     | 2,355        | 2,705,306  |
| 8.38%, 1/15/21  |     | 455          | 483,438    |
|   |     |              | 6,603,702  |
| <b>Household Products 0.5%</b>                                    |     |              |            |
| Ontex IV SA, 7.50%, 4/15/18 (c)                                   | EUR | 220          | 269,657    |
| Spectrum Brands Holdings, Inc.:                                   |     |              |            |
| 9.50%, 6/15/18  | USD | 560          | 638,400    |

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|  |       |            |
|--|-------|------------|
| 9.50%, 6/15/18 (c)   | 910   | 1,037,400  |
|  |       | 1,945,457  |
| <b>Independent Power Producers &amp; Energy Traders 2.9%</b> |       |            |
| AES Corp., 7.38%, 7/01/21 (c)                                | 1,010 | 1,151,400  |
| Calpine Corp. (c):   |       |            |
| 7.25%, 10/15/17  | 275   | 291,500    |
| 7.50%, 2/15/21   | 160   | 173,600    |
| 7.88%, 1/15/23   | 435   | 474,150    |
| Energy Future Holdings Corp., 10.00%, 1/15/20                | 4,870 | 5,265,687  |
| Energy Future Intermediate Holding Co. LLC:                  |       |            |
| 10.00%, 12/01/20   | 1,486 | 1,614,168  |
| 11.75%, 3/01/22 (c)  | 2,210 | 2,265,250  |
| Laredo Petroleum, Inc., 9.50%, 2/15/19                       | 790   | 870,975    |
| QEP Resources, Inc., 5.38%, 10/01/22                         | 513   | 518,130    |
|  |       | 12,624,860 |

See Notes to Financial Statements.



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Consolidated Schedule of Investments (continued)

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

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>                                |              |              |
| <b>Industrial Conglomerates 2.5%</b>                  |              |              |
| Sequa Corp. (c):                                      |              |              |
| 11.75%, 12/01/15                                      | USD 3,810    | \$ 4,048,125 |
| 13.50%, 12/01/15                                      | 6,236        | 6,657,050    |
|   |              | 10,705,175   |
| <b>Insurance 1.2%</b>                                 |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)(k)      | 2,600        | 2,733,250    |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (c)         | 573          | 616,691      |
| Genworth Financial, Inc.:                             |              |              |
| 7.63%, 9/24/21  | 660          | 684,766      |
| 6.15%, 11/15/66 (g)                                   | 1,335        | 916,144      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)     | 395          | 352,537      |
|   |              | 5,303,388    |
| <b>IT Services 1.7%</b>                               |              |              |
| Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)         | 860          | 890,100      |
| First Data Corp.:                                     |              |              |
| 7.38%, 6/15/19 (c)                                    | 300          | 303,375      |
| 8.88%, 8/15/20 (c)                                    | 830          | 898,475      |
| 8.25%, 1/15/21 (c)                                    | 1,000        | 967,500      |
| 12.63%, 1/15/21                                       | 2,260        | 2,373,000    |
| SunGard Data Systems, Inc.:                           |              |              |
| 7.38%, 11/15/18                                       | 680          | 731,000      |
| 7.63%, 11/15/20                                       | 930          | 1,004,400    |
|   |              | 7,167,850    |
| <b>Machinery 0.8%</b>                                 |              |              |
| Navistar International Corp.:                         |              |              |
| 3.00%, 10/15/14 (f)                                   | 511          | 575,514      |
| 8.25%, 11/01/21                                       | 188          | 205,625      |
| SPX Corp., 6.88%, 9/01/17                             | 275          | 305,250      |
| UR Financing Escrow Corp. (c)(l):                     |              |              |
| 5.75%, 7/15/18  | 398          | 408,945      |
| 7.38%, 5/15/20  | 540          | 554,175      |
| 7.63%, 4/15/22  | 1,289        | 1,334,115    |
|   |              | 3,383,624    |
| <b>Media 14.4%</b>                                    |              |              |
| Affinion Group, Inc., 7.88%, 12/15/18                 | 1,260        | 1,127,700    |
| AMC Networks, Inc., 7.75%, 7/15/21 (c)                | 350          | 390,250      |
| CCH II LLC, 13.50%, 11/30/16                          | 5,116        | 5,883,844    |
| CCO Holdings LLC:                                     |              |              |
| 7.88%, 4/30/18  | 160          | 174,800      |
| 7.38%, 6/01/20  | 410          | 451,000      |
| 6.50%, 4/30/21  | 755          | 802,187      |
| Checkout Holding Corp., 10.96%, 11/15/15 (c)(e)       | 1,040        | 468,000      |
| Cinemark USA, Inc., 8.63%, 6/15/19                    | 390          | 433,875      |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 | 845          | 777,400      |
| Clear Channel Worldwide Holdings, Inc.:               |              |              |
| 9.25%, 12/15/17                                       | 2,323        | 2,543,685    |
| 7.63%, 3/15/20 (c)                                    | 1,625        | 1,625,000    |
| Series B, 9.25%, 12/15/17                             | 9,551        | 10,506,100   |
| Cox Enterprises, Inc.:                                |              |              |

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|  |       |           |
|--|-------|-----------|
| Loan Close 2, 4.00%, 8/15/18           | 1,060 | 1,075,390 |
| Loan Close 3, 4.00%, 8/15/18           | 1,212 | 1,229,480 |
| Shares Loan, 4.00%, 8/15/18            | 1,250 | 1,268,025 |
| CSC Holdings LLC, 8.50%, 4/15/14       | 550   | 610,500   |
| DISH DBS Corp.:                        |       |           |
| 7.00%, 10/01/13                        | 150   | 161,063   |
| 6.75%, 6/01/21                         | 630   | 699,300   |
| Gray Television, Inc., 10.50%, 6/29/15 | 1,425 | 1,505,156 |
| Harland Clarke Holdings Corp.:         |       |           |
| 6.00%, 5/15/15 (g)                     | 550   | 375,375   |
| 9.50%, 5/15/15                         | 490   | 385,875   |

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Media (concluded)</b>  |              |              |
| Intelsat Luxembourg SA:   |              |              |
| 11.25%, 6/15/16   | USD 2,370    | \$ 2,506,275 |
| 11.25%, 2/04/17   | 560          | 577,500      |
| 11.50%, 2/04/17 (i)   | 2,070        | 2,132,100    |
| Interactive Data Corp., 10.25%, 8/01/18                                     | 2,080        | 2,345,200    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     | 525          | 601,125      |
| Kabel BW Erste Beteiligungs GmbH, 7.50%,<br>3/15/19 (c)                     | EUR 1,037    | 1,478,306    |
| Kabel Deutschland Vertrieb und Service GmbH &<br>Co. KG, 6.50%, 6/29/18 (c) | 530          | 745,018      |
| Lamar Media Corp., 5.88%, 2/01/22 (c)                                       | USD 310      | 323,563      |
| Live Nation Entertainment, Inc., 8.13%,<br>5/15/18 (c)                      | 1,170        | 1,244,587    |
| Musketeer GmbH, 9.50%, 3/15/21 (c)  | EUR 548      | 788,508      |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (c)                      | USD 1,015    | 1,116,500    |
| Nielsen Finance LLC:  |              |              |
| 11.63%, 2/01/14   | 147          | 170,888      |
| 7.75%, 10/15/18   | 3,425        | 3,810,312    |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)                                   | GBP 324      | 509,008      |
| ProQuest LLC, 9.00%, 10/15/18 (c)   | USD 775      | 685,875      |
| Unitymedia GmbH:  |              |              |
| 9.63%, 12/01/19   | EUR 244      | 351,088      |
| 9.63%, 12/01/19 (c)   | 900          | 1,294,995    |
| Unitymedia Hessen GmbH & Co. KG<br>(FKA UPC Germany GmbH):                  |              |              |
| 8.13%, 12/01/17   | 120          | 171,867      |
| 8.13%, 12/01/17 (c)   | USD 885      | 960,225      |
| 8.13%, 12/01/17   | EUR 701      | 1,003,988    |
| UPC Holding BV, 9.88%, 4/15/18 (c)  | USD 640      | 710,400      |
| UPCB Finance II Ltd.:   |              |              |
| 6.38%, 7/01/20 (c)  | EUR 1,273    | 1,687,537    |
| 6.38%, 7/01/20  | 514          | 681,378      |
| Virgin Media Secured Finance Plc, 7.00%,<br>1/15/18                         | GBP 495      | 850,495      |
| Ziggo Bond Co. BV, 8.00%, 5/15/18   | EUR 610      | 859,433      |
| Ziggo Finance BV, 6.13%, 11/15/17 (c)                                       | 1,136        | 1,570,248    |
|   |              | 61,670,424   |
| <b>Metals &amp; Mining 3.1%</b>   |              |              |
| Goldcorp, Inc., 2.00%, 8/01/14 (f)  | USD 1,650    | 2,091,375    |
| New World Resources NV, 7.88%, 5/01/18                                      | EUR 1,055    | 1,426,660    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (f)                       | USD 2,275    | 3,139,500    |
| Novelis, Inc., 8.75%, 12/15/20  | 5,140        | 5,731,100    |
| Taseko Mines Ltd., 7.75%, 4/15/19   | 650          | 624,000      |
| Vedanta Resources Plc, 8.25%, 6/07/21 (c)                                   | 435          | 401,287      |

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|   |       |            |
|---|-------|------------|
|   |       | 13,413,922 |
| <b>Multiline Retail 1.7%</b>                              |       |            |
| Dollar General Corp., 11.88%, 7/15/17 (g)                 | 6,753 | 7,411,485  |
| <b>Oil, Gas &amp; Consumable Fuels 10.7%</b>              |       |            |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21             | 625   | 606,250    |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)            | 660   | 679,800    |
| Berry Petroleum Co., 8.25%, 11/01/16                      | 800   | 834,000    |
| Bill Barrett Corp., 9.88%, 7/15/16                        | 35    | 38,675     |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)          | 400   | 419,000    |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18                  | 200   | 208,000    |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (c)   | 425   | 439,875    |
| Chesapeake Oilfield Operating LLC, 6.63%,<br>11/15/19 (c) | 80    | 81,600     |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (c)             | 414   | 442,980    |
| Concho Resources, Inc., 7.00%, 1/15/21                    | 635   | 714,375    |
| Consol Energy, Inc., 8.25%, 4/01/20                       | 3,050 | 3,324,500  |
| Continental Resources, Inc., 7.13%, 4/01/21               | 575   | 638,250    |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                     |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>         |              |            |
| Copano Energy LLC, 7.13%, 4/01/21                          | USD 520      | \$ 551,200 |
| Crosstex Energy LP, 8.88%, 2/15/18                         | 280          | 303,800    |
| Crown Oil Partners IV LP, 15.00%, 3/07/15                  | 911          | 910,654    |
| Denbury Resources, Inc.:                                   |              |            |
| 8.25%, 2/15/20   | 1,000        | 1,140,000  |
| 6.38%, 8/15/21   | 540          | 595,350    |
| Energy XXI Gulf Coast, Inc.:                               |              |            |
| 9.25%, 12/15/17  | 860          | 952,450    |
| 7.75%, 6/15/19   | 1,390        | 1,466,450  |
| EV Energy Partners LP, 8.00%, 4/15/19                      | 220          | 231,000    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (c)                    | 1,165        | 1,269,850  |
| Holly Energy Partners LP, 6.50%, 3/01/20 (c)               | 245          | 250,206    |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)                | 505          | 540,350    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (c)   | 145          | 147,900    |
| 6.25%, 11/01/19 (c)  | 2,805        | 2,801,494  |
| 8.63%, 4/15/20   | 345          | 382,950    |
| 7.75%, 2/01/21   | 320          | 344,000    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20               | 205          | 223,963    |
| Newfield Exploration Co., 6.88%, 2/01/20                   | 1,455        | 1,571,400  |
| Niska Gas Storage US LLC, 8.88%, 3/15/18                   | 890          | 854,400    |
| Oasis Petroleum, Inc.:                                     |              |            |
| 7.25%, 2/01/19   | 510          | 540,600    |
| 6.50%, 11/01/21  | 450          | 463,500    |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (c) | 7,500        | 7,818,750  |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (c)                    | 530          | 530,000    |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)                | 1,345        | 1,429,062  |
| Petrohawk Energy Corp.:                                    |              |            |
| 10.50%, 8/01/14  | 595          | 661,194    |
| 7.88%, 6/01/15   | 680          | 718,250    |
| 7.25%, 8/15/18   | 495          | 566,156    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)            | 690          | 724,500    |
| Pioneer Natural Resources Co.:                             |              |            |
| 6.88%, 5/01/18   | 715          | 839,890    |
| 7.50%, 1/15/20   | 225          | 278,048    |
| Plains Exploration & Production Co.:                       |              |            |
| 6.63%, 5/01/21   | 1,245        | 1,344,600  |
| 6.75%, 2/01/22   | 800          | 876,000    |
| Precision Drilling Corp., 6.50%, 12/15/21 (c)              | 460          | 491,050    |
| Range Resources Corp.:                                     |              |            |
| 8.00%, 5/15/19   | 600          | 669,000    |
| 5.75%, 6/01/21   | 1,520        | 1,626,400  |
| 5.00%, 8/15/22 (l)   | 644          | 650,440    |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (c)                      | 605          | 603,787    |
| Samson Investment Co., 9.75%, 2/15/20 (c)                  | 1,030        | 1,084,075  |
| SandRidge Energy, Inc., 7.50%, 3/15/21                     | 710          | 717,100    |
| SM Energy Co., 6.63%, 2/15/19                              | 205          | 219,863    |
|  |              | 45,816,987 |
| <b>Paper &amp; Forest Products</b>                         | <b>2.5%</b>  |            |

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|  |       |            |
|--|-------|------------|
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(i)          | 1,927 | 1,407,001  |
| Boise Paper Holdings LLC:                                  |       |            |
| 9.00%, 11/01/17  | 680   | 748,000    |
| 8.00%, 4/01/20   | 240   | 263,400    |
| Clearwater Paper Corp.:                                    |       |            |
| 10.63%, 6/15/16  | 625   | 710,156    |
| 7.13%, 11/01/18  | 885   | 942,525    |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (c)                    | 2,570 | 2,847,115  |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (c) | 535   | 549,713    |
| NewPage Corp., 11.38%, 12/31/14 (a)(j)                     | 3,350 | 2,018,375  |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)              | 200   | 187,500    |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                  | 1,202 | 1,226,040  |
|  |       | 10,899,825 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>                                    |              |            |
| <b>Pharmaceuticals 0.6%</b>                               |              |            |
| Capsugel Finance Co. SCA:                                 |              |            |
| 9.88%, 8/01/19  | EUR 105      | \$ 150,383 |
| 9.88%, 8/01/19 (c)  | 300          | 429,667    |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (c)                | USD 650      | 710,937    |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (c) | 1,310        | 1,336,200  |
|   |              | 2,627,187  |
| <b>Professional Services 0.4%</b>                         |              |            |
| FTI Consulting, Inc., 6.75%, 10/01/20                     | 1,450        | 1,567,813  |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>         |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                         | 2,170        | 2,218,825  |
| The Rouse Co. LP, 6.75%, 11/09/15                         | 805          | 842,231    |
|   |              | 3,061,056  |
| <b>Real Estate Management &amp; Development 2.4%</b>      |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                      | 520          | 552,500    |
| Forest City Enterprises, Inc., 7.63%, 6/01/15             | 2,300        | 2,265,500  |
| Realogy Corp.:  |              |            |
| 11.50%, 4/15/17   | 605          | 553,575    |
| 12.00%, 4/15/17   | 155          | 142,600    |
| 7.88%, 2/15/19 (c)  | 3,645        | 3,535,650  |
| 7.63%, 1/15/20 (c)  | 785          | 810,513    |
| 9.00%, 1/15/20 (c)  | 560          | 562,800    |
| Shea Homes LP, 8.63%, 5/15/19 (c)                         | 1,885        | 1,903,850  |
|   |              | 10,326,988 |
| <b>Road &amp; Rail 1.6%</b>                               |              |            |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19                | 200          | 208,500    |
| Florida East Coast Railway Corp., 8.13%, 2/01/17          | 650          | 656,500    |
| Hertz Holdings Netherlands BV:                            |              |            |
| 8.50%, 7/31/15  | EUR 295      | 424,471    |
| 8.50%, 7/31/15 (c)  | 2,080        | 2,992,878  |
| The Hertz Corp.:  |              |            |
| 7.50%, 10/15/18   | USD 1,005    | 1,084,144  |
| 6.75%, 4/15/19 (c)  | 450          | 471,375    |
| 6.75%, 4/15/19  | 175          | 183,312    |
| 7.38%, 1/15/21  | 765          | 828,112    |
|   |              | 6,849,292  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>  |              |            |
| Spansion LLC, 7.88%, 11/15/17                             | 890          | 874,425    |
| <b>Software 0.2%</b>                                      |              |            |
| Sophia LP, 9.75%, 1/15/19 (c)                             | 666          | 715,950    |
| <b>Specialty Retail 2.4%</b>                              |              |            |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20            | 565          | 605,962    |
| Hillman Group, Inc., 10.88%, 6/01/18                      | 830          | 869,425    |

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|  |     |       |            |
|--|-----|-------|------------|
| House of Fraser Funding Plc:                 |     |       |            |
| 8.88%, 8/15/18 (c)                           | GBP | 439   | 625,073    |
| 8.88%, 8/15/18                               |     | 222   | 316,096    |
| Limited Brands, Inc.:                        |     |       |            |
| 8.50%, 6/15/19                               | USD | 1,255 | 1,499,725  |
| 5.63%, 2/15/22                               |     | 250   | 257,500    |
| Phones4u Finance Plc, 9.50%, 4/01/18 (c)     | GBP | 570   | 795,728    |
| QVC, Inc. (c):                               |     |       |            |
| 7.13%, 4/15/17                               | USD | 355   | 381,625    |
| 7.50%, 10/01/19                              |     | 970   | 1,076,700  |
| 7.38%, 10/15/20                              |     | 455   | 503,912    |
| Sally Holdings LLC, 6.88%, 11/15/19 (c)      |     | 840   | 903,000    |
| Sonic Automotive, Inc., 9.00%, 3/15/18       |     | 580   | 630,750    |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c) |     | 195   | 200,363    |
| United Auto Group, Inc., 7.75%, 12/15/16     |     | 1,670 | 1,740,992  |
|  |     |       | 10,406,851 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value              |
|--|--------------|--------------------|
| <b>Corporate Bonds</b>   |              |                    |
| <b>Transportation Infrastructure 0.2%</b>  |              |                    |
| Aguila 3 SA, 7.88%, 1/31/18 (c)  | USD 665      | \$ 699,081         |
| <b>Wireless Telecommunication Services 5.2%</b>                                      |              |                    |
| Cricket Communications, Inc., 7.75%, 5/15/16   | 830          | 883,950            |
| Digicel Group Ltd. (c):  |              |                    |
| 8.88%, 1/15/15   | 1,120        | 1,139,600          |
| 9.13%, 1/15/15   | 2,864        | 2,921,280          |
| 8.25%, 9/01/17   | 1,720        | 1,823,200          |
| 10.50%, 4/15/18  | 800          | 872,000            |
| iPCS, Inc., 2.67%, 5/01/13 (g)   | 1,585        | 1,525,563          |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20  | EUR 400      | 548,907            |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20   | USD 1,690    | 1,740,700          |
| NII Capital Corp., 7.63%, 4/01/21  | 1,039        | 1,062,378          |
| Sprint Capital Corp., 6.88%, 11/15/28  | 3,680        | 2,870,400          |
| Sprint Nextel Corp. (c):   |              |                    |
| 9.00%, 11/15/18  | 3,410        | 3,802,150          |
| 7.00%, 3/01/20   | 3,110        | 3,160,537          |
|  |              | 22,350,665         |
| <b>Total Corporate Bonds 101.6%</b>  |              | <b>435,638,644</b> |
| <b>Floating Rate Loan Interests (g)</b>  |              |                    |
| <b>Airlines 0.2%</b>   |              |                    |
| Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17                        | 866          | 845,602            |
| <b>Auto Components 0.2%</b>  |              |                    |
| Schaeffler AG, Term Loan C2, 5.29%, 1/27/17  | 765          | 767,234            |
| <b>Building Products 0.2%</b>  |              |                    |
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17                       | 764          | 775,572            |
| <b>Capital Markets 0.4%</b>  |              |                    |
| Nuveen Investments, Inc., Incremental Term Loan, (First Lien):                       |              |                    |
| 7.25%, 5/13/17   | 1,045        | 1,052,315          |
| 7.25%, 3/14/19   | 640          | 645,600            |
|  |              | 1,697,915          |
| <b>Chemicals 0.2%</b>  |              |                    |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B (First Lien), 3.50%, 7/30/14   | 325          | 316,857            |
| Styron Sarl LLC, Term Loan B, 6.00% 6.75%, 8/02/17                                   | 677          | 610,763            |
|  |              | 927,620            |
| <b>Commercial Services &amp; Supplies 0.8%</b>                                       |              |                    |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16                            | 776          | 773,436            |
| Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16                                   | 975          | 976,043            |
| Volume Services America, Inc. (FKA Centerplate), Term Loan B, 10.50% 10.75%, 9/16/16 | 1,580        | 1,586,589          |
|  |              | 3,336,068          |
| <b>Communications Equipment 0.1%</b>   |              |                    |

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|   |       |           |
|---|-------|-----------|
| Avaya, Inc., Term Loan B1, 3.24%, 10/24/14                                    | 305   | 298,433   |
| <b>Construction &amp; Engineering 0.7%</b>                                    |       |           |
| Safeway Services LLC, Mezzanine Loan, 15.63%,<br>12/16/17                     | 3,250 | 3,250,000 |
| <b>Consumer Finance 1.7%</b>  |       |           |
| Springleaf Finance Corp. (FKA AGFS Funding Co.),<br>Term Loan, 5.50%, 5/10/17 | 7,825 | 7,133,348 |

|  | Par<br>(000) | Value     |
|--|--------------|-----------|
| <b>Floating Rate Loan Interests (g)</b>                              |              |           |
| <b>Diversified Consumer Services 0.0%</b>                            |              |           |
| ServiceMaster Co.:   |              |           |
| Delayed Draw Term Loan, 2.75%, 7/24/14                               | USD 13       | \$ 12,907 |
| Term Loan, 2.77% 3.03%, 7/24/14                                      | 131          | 129,603   |
|  |              | 142,510   |
| <b>Diversified Telecommunication Services 0.5%</b>                   |              |           |
| Level 3 Financing, Inc.:   |              |           |
| Term Loan B, 5.75%, 8/31/18  | 1,300        | 1,308,944 |
| Tranche A Term Loan, 2.50% 2.83%, 3/13/14                            | 775          | 762,212   |
|  |              | 2,071,156 |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b>       |              |           |
| CDW LLC (FKA CDW Corp.):   |              |           |
| Term Loan, 3.75%, 10/10/14   | 163          | 162,789   |
| Term Loan, 4.00%, 7/14/17  | 435          | 425,134   |
|  |              | 587,923   |
| <b>Energy Equipment &amp; Services 2.2%</b>                          |              |           |
| CCS Corp., Incremental Term Loan, 5.62%,<br>10/17/14                 | 425          | 425,425   |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan,<br>9.25%, 8/04/16 | 3,084        | 3,066,606 |
| Dynegy Power LLC., Gas Co. Term Loan, 9.25%,<br>8/04/16              | 5,644        | 5,821,979 |
|  |              | 9,314,010 |
| <b>Food &amp; Staples Retailing 0.1%</b>                             |              |           |
| US Foodservice, Inc., Term Loan B, 2.74%, 7/03/14                    | 265          | 255,725   |
| <b>Food Products 0.3%</b>  |              |           |
| Advance Pierre Foods, Term Loan (Second Lien),<br>11.25%, 9/29/17    | 1,300        | 1,301,079 |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>                     |              |           |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19                     | 1,180        | 1,179,268 |
| <b>Health Care Providers &amp; Services 0.7%</b>                     |              |           |
| Harden Healthcare LLC:   |              |           |
| Term Loan A, 8.50%, 3/02/15  | 574          | 562,318   |
| Tranche A Additional Term Loan, 7.75%, 3/02/15                       | 741          | 726,282   |
| Health Management Associates, Inc., Term Loan B,<br>4.50%, 11/16/18  | 610          | 606,035   |
| inVentiv Health, Inc., Combined Term Loan, 6.50%,<br>8/04/16         | 1,237        | 1,189,088 |
|  |              | 3,083,723 |
| <b>Hotels, Restaurants &amp; Leisure 1.3%</b>                        |              |           |
| Caesars Entertainment Operating Co., Inc.:                           |              |           |
| Term Loan B-1, 3.24% 3.58%, 1/28/15                                  | 3,252        | 3,047,233 |
| Term Loan B-4, 9.50%, 10/31/16                                       | 755          | 776,623   |
| OSI Restaurant Partners LLC:   |              |           |
| Revolver, 2.56% 2.79%, 6/14/13                                       | 15           | 14,448    |
| Term Loan B, 2.56%, 6/14/14  | 150          | 146,561   |
| Station Casinos, Inc., Term Loan B1, 3.24%,<br>6/17/16               | 1,625        | 1,465,214 |
| Travelport LLC (FKA Travelport, Inc.):                               |              |           |
| Extended Tranche A Term Loan, 6.54%, 9/28/12                         | 289          | 137,097   |
|  | 897          | 201,771   |



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Extended Tranche B Term Loan, 14.04%,  
12/01/16

5,788,947

**Independent Power Producers & Energy Traders 0.1%**

Texas Competitive Electric Holdings Co. LLC

(FKA TXU), Extended Term Loan, 4.76%, 10/10/17

1,156

645,008

**Industrial Conglomerates 0.2%**

Sequa Corp., Incremental Term Loan, 6.25%,

12/03/14

680

682,264

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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Consolidated Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Floating Rate Loan Interests (g)</b>  |              |              |
| <b>IT Services 0.2%</b>  |              |              |
| First Data Corp., Extended Term Loan B, 4.24%,<br>3/23/18  | USD 1,220    | \$ 1,094,755 |
| <b>Leisure Equipment &amp; Products 0.2%</b>   |              |              |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/20/13  | 910          | 921,093      |
| <b>Media 5.2%</b>  |              |              |
| Cengage Learning Acquisitions, Inc.<br>(FKA Thomson Learning):   |              |              |
| Term Loan, 2.49%, 7/03/14  | 500          | 464,000      |
| Tranche 1 Incremental Term Loan, 7.50%,<br>7/03/14   | 2,654        | 2,567,503    |
| Cequel Communications LLC, Term Loan B, 4.00%,<br>2/11/19  | 865          | 856,151      |
| Clear Channel Communications:  |              |              |
| Term Loan B, 3.89%, 1/28/16  | 3,325        | 2,728,805    |
| Term Loan C, 3.89%, 1/28/16  | 608          | 481,504      |
| HMH Publishing Co. Ltd., Tranche A Term Loan,<br>6.51%, 6/12/14  | 1,420        | 877,796      |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson<br>Holdings, Ltd), Tranche B Term Loan, 5.25%,<br>4/02/18 | 11,215       | 11,196,184   |
| Interactive Data Corp., Term Loan B, 4.50%,<br>2/12/18   | 80           | 79,820       |
| Newsday LLC, Fixed Rate Term Loan, 10.50%,<br>8/01/13  | 2,450        | 2,520,438    |
| Univision Communications, Inc., Extended First Lien<br>Term Loan, 4.52%, 3/31/17                             | 520          | 482,898      |
|  |              | 22,255,099   |
| <b>Multiline Retail 0.4%</b>   |              |              |
| HEMA Holding BV, Mezzanine, 9.19%, 7/05/17 (i)   | EUR 1,688    | 1,720,670    |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>  |              |              |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15  | USD 2,572    | 2,584,634    |
| <b>Paper &amp; Forest Products 0.5%</b>  |              |              |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13   | 950          | 957,125      |
| Verso Paper Finance Holdings LLC, Term Loan,<br>6.79% 7.54%, 2/01/13 (i)                                     | 2,236        | 1,117,797    |
|  |              | 2,074,922    |
| <b>Pharmaceuticals 0.5%</b>  |              |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17  | 1,485        | 1,472,377    |
| Pharmaceutical Products Development, Inc.,<br>Term Loan B, 9.50%, 12/05/18                                   | 610          | 615,338      |
|  |              | 2,087,715    |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>  |              |              |
| iStar Financial, Inc., Term Loan (Second Lien),<br>5.00%, 6/28/13  | 2,627        | 2,614,694    |
| <b>Real Estate Management &amp; Development 0.3%</b>   |              |              |
| Realogy Corp.:   |              |              |
| Extended Letter of Credit, 4.53%, 10/10/16   | 166          | 154,404      |
| Extended Term Loan, 4.77%, 10/10/16  | 1,173        | 1,088,344    |

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|  |     |                      |     |  |              |
|--|-----|----------------------|-----|--|--------------|
|  |     |                      |     |  | 1,242,748    |
| <b>Semiconductors &amp;</b>  |     |                      |     |  |              |
| <b>Semiconductor Equipment 0.0%</b>                                |     |                      |     |  |              |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17                              |     |                      | 105 |  | 104,213      |
| <b>Software 0.2%</b>   |     |                      |     |  |              |
| Infor Enterprise Solutions Holdings, Inc.:                         |     |                      |     |  |              |
| Extended Delayed Draw Term Loan, 6.29%, 7/28/15                    |     |                      | 245 |  | 239,042      |
| Extended Initial Term Loan, 6.29%, 7/28/15                         |     |                      | 460 |  | 450,095      |
|  |     |                      |     |  | 689,137      |
| <b>Floating Rate Loan Interests (g)</b>                            |     |                      |     |  |              |
|  |     | <b>Par<br/>(000)</b> |     |  | <b>Value</b> |
| <b>Specialty Retail 0.2%</b>                                       |     |                      |     |  |              |
| Claire's Stores, Inc., Term Loan B, 2.99% - 3.30%, 5/29/14         | USD | 816                  | \$  |  | 772,527      |
| <b>Wireless Telecommunication Services 1.0%</b>                    |     |                      |     |  |              |
| Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19      |     | 325                  |     |  | 323,521      |
| Vodafone Americas Finance 2, Inc., Term Loan B, 6.25%, 7/11/16 (i) |     | 4,022                |     |  | 4,011,821    |
|  |     |                      |     |  | 4,335,342    |
| <b>Total Floating Rate Loan Interests 20.2%</b>                    |     |                      |     |  | 86,580,954   |
| <b>Other Interests (m)</b>   |     |                      |     |  |              |
|  |     |                      |     | <b>Beneficial<br/>Interest<br/>(000)</b> |              |
| <b>Chemicals 0.0%</b>  |     |                      |     |  |              |
| Wellman Holdings, Inc., Litigation Trust Certificate               |     | 4,870                |     |  | 49           |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                      |     |                      |     |  |              |
| Buffets, Inc. (a)  |     | 950                  |     |  | 9            |
| <b>Media 0.0%</b>  |     |                      |     |  |              |
| Adelphia Escrow (a)  |     | 1,300                |     |  | 13           |
| Adelphia Recovery Trust (a)  |     | 1,630                |     |  | 163          |
|  |     |                      |     |  | 176          |
| <b>Total Other Interests 0.0%</b>                                  |     |                      |     |  | 234          |
| <b>Preferred Securities</b>  |     |                      |     |  |              |
| <b>Preferred Stocks</b>  |     |                      |     |  |              |
|  |     |                      |     | <b>Shares</b>                            |              |
| <b>Auto Components 0.4%</b>  |     |                      |     |  |              |
| Dana Holding Corp., 4.00% (c)(f)                                   |     | 12,760               |     |  | 1,717,815    |
| <b>Diversified Financial Services 1.0%</b>                         |     |                      |     |  |              |
| Ally Financial, Inc., 7.00% (c)                                    |     | 5,245                |     |  | 4,551,021    |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>                         |     |                      |     |  |              |
| Fannie Mae, Series O, 7.00% (a)(g)                                 |     | 40,000               |     |  | 74,000       |
| Freddie Mac, Series Z, 8.38% (a)(g)                                |     | 110,157              |     |  | 163,032      |
|  |     |                      |     |  | 237,032      |
| <b>Total Preferred Stocks 1.5%</b>                                 |     |                      |     |  | 6,505,868    |
| <b>Trust Preferreds</b>  |     |                      |     |  |              |
| <b>Diversified Financial Services 0.9%</b>                         |     |                      |     |  |              |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (g)                 |     | 114,020              |     |  | 2,668,342    |
| RBS Capital Funding Trust VII, 6.08%, 12/31/49 (g)                 |     | 69,000               |     |  | 943,230      |
| <b>Total Trust Preferreds 0.9%</b>                                 |     |                      |     |  | 3,611,572    |

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|                                   |             |  |            |
|-----------------------------------|-------------|--|------------|
| <b>Total Preferred Securities</b> | <b>2.4%</b> |  | 10,117,440 |
|-----------------------------------|-------------|--|------------|

**Warrants (n)**

|  |             |        |         |
|--|-------------|--------|---------|
| <b>Health Care Providers &amp; Services</b>          | <b>0.0%</b> |        |         |
| HealthSouth Corp. (Expires 1/16/14)                  |             | 54,577 | 1       |
| <b>Hotels, Restaurants &amp; Leisure</b>             | <b>0.0%</b> |        |         |
| Buffets Restaurants Holdings, Inc. (Expires 4/29/14) |             | 802    |         |
| <b>Media</b>   | <b>0.1%</b> |        |         |
| Cumulus Media, Inc. (Expires 3/26/19)                |             | 67,691 | 488,919 |
| New Vision Holdings LLC, (Expires 9/30/14)           |             | 26,189 |         |
|  |             |        | 488,919 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

| Warrants (n)   | Shares | Value       |
|--|--------|-------------|
| <b>Software 0.0%</b>                                       |        |             |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17) | 525    |             |
| HMH Holdings/EduMedia (Expires 3/09/17)                    | 22,578 |             |
| <b>Total Warrants 0.1%</b>                                 |        | \$ 488,920  |
| <b>Total Long-Term Investments</b>                         |        |             |
| <b>(Cost \$555,481,120) 132.7%</b>                         |        | 568,882,627 |

| Options Purchased                               | Contracts |             |
|---|-----------|-------------|
| <b>Exchange-Traded Put Options 0.1%</b>         |           |             |
| SPDR S&P 500 ETF Trust:                         |           |             |
| Strike Price USD 134.00, Expires 3/17/12        | 1,790     | 168,260     |
| Strike Price USD 136.00, Expires 3/17/12        | 310       | 48,980      |
| Strike Price USD 136.00, Expires 4/21/12        | 310       | 98,890      |
| <b>Total Options Purchased</b>                  |           |             |
| <b>(Cost \$688,726) 0.1%</b>                    |           | 316,130     |
| <b>Total Investments Before Options Written</b> |           |             |
| <b>(Cost \$556,169,846) 132.8%</b>              |           | 569,198,757 |

|   |       |                |
|---|-------|----------------|
| <b>Options Written</b>  |       |                |
| <b>Exchange-Traded Put Options (0.0)%</b>                           |       |                |
| SPDR S&P 500 ETF Trust, Strike Price USD 125.00,<br>Expires 3/17/12 | 1,790 | (25,955)       |
| <b>Total Options Written</b>  |       |                |
| <b>(Premiums Received \$128,039) (0.0)%</b>                         |       | (25,955)       |
| <b>Total Investments, Net of Options Written 132.8%</b>             |       | 569,172,802    |
| <b>Liabilities in Excess of Other Assets (32.8)%</b>                |       | (140,499,627)  |
| <b>Net Assets 100.0%</b>  |       | \$ 428,673,175 |

- (a) Non-income producing security.
- (b) Restricted security as to resale. As of report date the Trust held 2.6% of its net assets, with a current value of \$11,090,417 in this security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Convertible security.
- (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 is as of report date.
- (i) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

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- (j) Issuer filed for bankruptcy and/or is in default of interest payments.
- (k) All or a portion of security has been pledged as collateral in connection with swaps.
- (l) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                     | Value        | Unrealized Appreciation |
|----------------------------------|--------------|-------------------------|
| Bank of America Securities, Inc. | \$ 650,440   | \$ 6,440                |
| Morgan Stanley & Co., Inc.       | \$ 2,297,235 | \$ 70,235               |

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

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, 2011 | Net Activity | Shares Held at February 29, 2012 | Income |
|--|--------------------------------|--------------|----------------------------------|--------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 941,235                        | (941,235)    |                                  | \$ 445 |

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                | Exchange           | Expiration | Notional Value | Unrealized Depreciation |
|-----------|----------------------|--------------------|------------|----------------|-------------------------|
| 191       | S&P 500 Index E-Mini | Chicago Mercantile | March 2012 | \$ 13,030,020  | \$ (419,408)            |

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency Purchased | Currency Sold  | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|----------------|----------------------------|-----------------|--|
| GBP                |                | Royal Bank of Scotland Plc | 4/11/12         | \$ 2,618                               |
| USD                | 118,000 USD    | Citibank NA                | 4/11/12         | (54,988)                               |
| USD                | 1,510,144 CAD  | Royal Bank of Scotland Plc | 4/11/12         | (106,172)                              |
| USD                | 3,402,753 CAD  | UBS Securities LLC         | 4/11/12         | (192,658)                              |
| EUR                | 5,133,752 GBP  | Citibank NA                | 4/18/12         | 4,605                                  |
| EUR                | 122,000 USD    | Deutsche Bank AG           | 4/18/12         | (6,334)                                |
| USD                | 460,000 USD    | Citibank NA                | 4/18/12         | (1,110,925)                            |
| USD                | 29,691,218 EUR | Citibank NA                | 4/18/12         | (9,649)                                |
| USD                | 2,075,808 EUR  | Citibank NA                | 4/18/12         | (5,398)                                |
| USD                | 389,040 EUR    | Citibank NA                | 4/18/12         | (1,359)                                |
| USD                | 194,527 EUR    | Deutsche Bank AG           | 4/18/12         | (2,509)                                |
| USD                | 84,108 EUR     | Deutsche Bank AG           | 4/18/12         | (646)                                  |
| USD                | 129,945 EUR    |                            |                 |  |

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|              |         |     |         |                               |         |                |
|--------------|---------|-----|---------|-------------------------------|---------|----------------|
| USD          | 627,400 | EUR | 473,000 | Royal Bank of<br>Scotland Plc | 4/18/12 | (2,901)        |
| USD          | 774,117 | EUR | 586,000 | UBS Securities LLC            | 4/18/12 | (6,764)        |
| <b>Total</b> |         |     |         |                               |         | \$ (1,493,080) |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

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

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

| Issuer                    | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------|-----------------------------|-----------------|-----------------------|--|
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 160                | \$ (8,905)                             |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 135                | (8,790)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 260                | (13,581)                               |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 140                | (3,971)                                |
| MGM Resorts International | 5.00%          | Deutsche Bank AG            | 6/20/15         | \$ 135                | (4,827)                                |
| Republic of Hungary       | 1.00%          | Deutsche Bank AG            | 12/20/15        | \$ 470                | 25,026                                 |
| Realogy Corp.             | 5.00%          | Goldman Sachs International | 9/20/16         | \$ 225                | (25,998)                               |
| iStar Financial, Inc.     | 5.00%          | Deutsche Bank AG            | 12/20/16        | \$ 375                | (38,471)                               |
| Israel (State of)         | 1.00%          | Deutsche Bank AG            | 3/20/17         | \$ 350                | (3,639)                                |
| Israel Government Bond    | 1.00%          | Deutsche Bank AG            | 3/20/17         | \$ 1,050              | (11,643)                               |
| <b>Total</b>              |                |                             |                 |                       | \$ (94,799)                            |

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

| Issuer          | Receive Fixed Rate | Counterparty                       | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|-----------------|--------------------|------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| Air Lease Corp. | 5.00%              | Goldman Sachs International        | 2/14/13         | Not Rated                         | \$ 800                             | \$ 1,104                               |
| CIT Group, Inc. | 5.00%              | Deutsche Bank AG                   | 9/20/15         | BB                                | \$ 5,000                           | 333,920                                |
| ARAMARK Corp.   | 5.00%              | Goldman Sachs International        | 3/20/16         | B                                 | \$ 750                             | 39,744                                 |
| ARAMARK Corp.   | 5.00%              | Goldman Sachs International        | 6/20/16         | B                                 | \$ 475                             | 22,600                                 |
| ARAMARK Corp.   | 5.00%              | Goldman Sachs International        | 6/20/16         | B                                 | \$ 475                             | 25,585                                 |
| ARAMARK Corp.   | 5.00%              | Credit Suisse Securities (USA) LLC | 9/20/16         | B                                 | \$ 200                             | 16,201                                 |
| ARAMARK Corp.   | 5.00%              |                                    | 9/20/16         | B                                 | \$ 450                             | 20,322                                 |



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|               |       | Goldman Sachs International |         |   |        |        |
|---------------|-------|-----------------------------|---------|---|--------|--------|
| ARAMARK Corp. | 5.00% | Goldman Sachs International | 9/20/16 | B | \$ 200 | 15,461 |

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows (concluded):

| Issuer                           | Receive Fixed Rate | Counterparty                       | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|----------------------------------|--------------------|------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| Bausch & Lomb Inc.               | 5.00%              | Credit Suisse Securities (USA) LLC | 3/20/17         | B                                 | \$ 165                             | \$ 8,261                               |
| ARAMARK Corp.                    | 5.00%              | Deutsche Bank AG                   | 3/20/17         | B                                 | \$ 305                             | 6,568                                  |
| Crown Castle International Corp. | 7.25%              | Deutsche Bank AG                   | 3/20/17         | B                                 | \$ 720                             | 15,616                                 |
| Ford Motor Co.                   | 5.00%              | Deutsche Bank AG                   | 3/20/17         | BB+                               | \$ 2,200                           | 132,448                                |
| CCO Holdings LLC                 | 8.00%              | Deutsche Bank AG                   | 9/20/17         | BB                                | \$ 2,400                           | (134)                                  |
| <b>Total</b>                     |                    |                                    |                 |                                   |                                    | \$ 637,696                             |

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

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

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.



## Consolidated Schedule of Investments (concluded)

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

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs             | Level 1       | Level 2        | Level 3       | Total          |
|------------------------------|---------------|----------------|---------------|----------------|
| <b>Assets:</b>               |               |                |               |                |
| Investments:                 |               |                |               |                |
| Long-Term Investments:       |               |                |               |                |
| Common Stocks                | \$ 16,814,523 | \$ 11,751,399  | \$ 7,490,513  | \$ 36,056,435  |
| Corporate Bonds              |               | 430,767,015    | 4,871,629     | 435,638,644    |
| Floating Rate Loan Interests |               | 73,111,438     | 13,469,516    | 86,580,954     |
| Other Interests              | 163           |                | 71            | 234            |
| Preferred Securities         | 3,848,604     | 6,268,836      |               | 10,117,440     |
| Warrants                     |               | 488,919        | 1             | 488,920        |
| <b>Total</b>                 | \$ 20,663,290 | \$ 522,387,607 | \$ 25,831,730 | \$ 568,882,627 |

| Valuation Inputs                              | Level 1      | Level 2        | Level 3    | Total          |
|---|--------------|----------------|------------|----------------|
| Derivative Financial Instruments <sup>1</sup> |              |                |            |                |
| <b>Assets:</b>                                |              |                |            |                |
| Credit contracts                              |              | \$ 312,216     | \$ 350,640 | \$ 662,856     |
| Foreign currency exchange contracts           |              | 7,223          |            | 7,223          |
| Equity contracts                              | \$ 316,130   |                |            | 316,130        |
| <b>Liabilities:</b>                           |              |                |            |                |
| Credit contracts                              |              | (119,825)      | (134)      | (119,959)      |
| Foreign currency exchange contracts           |              | (1,500,303)    |            | (1,500,303)    |
| Equity contracts                              | (445,363)    |                |            | (445,363)      |
| <b>Total</b>                                  | \$ (129,233) | \$ (1,300,689) | \$ 350,506 | \$ (1,079,416) |

<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 table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

|   | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Securities | Warrants   | Total         |
|---|---------------|-----------------|------------------------------|-----------------|----------------------|------------|---------------|
| <b>Assets:</b>  |               |                 |                              |                 |                      |            |               |
| Balance, as of August 31, 2011                                  | \$ 3,689,799  | \$ 6,541,570    | \$ 14,112,734                | \$ 3,081,895    | \$ 503,497           | \$ 382,599 | \$ 28,312,094 |
| Accrued discounts/premiums                                      |               | 3,505           | 118,663                      |                 |                      |            | 122,168       |
| Net realized gain (loss)  | 9,199         | (3,657,646)     | (353,729)                    |                 | 592,350              |            | (3,409,826)   |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 2,173,916     | 3,685,657       | (880,297)                    | (3,081,824)     | (503,497)            | (275)      | 1,393,680     |
| Purchases   | 1,629,236     | 979,696         | 602,350                      |                 |                      |            | 3,211,282     |
| Sales   | (11,637)      | (2,681,153)     | (1,025,465)                  |                 | (592,350)            |            | (4,310,605)   |
| Transfers in <sup>3</sup>                                       |               |                 | 3,424,885                    |                 |                      |            | 3,424,885     |
| Transfers out <sup>3</sup>                                      |               |                 | (2,529,625)                  |                 |                      | (382,323)  | (2,911,948)   |
| <b>Balance, as of February 29, 2012</b>                         | \$ 7,490,513  | \$ 4,871,629    | \$ 13,469,516                | \$ 71           |                      | \$ 1       | \$ 25,831,730 |

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Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at February 29, 2012 was \$(1,811,285).

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

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

|   | <b>Credit<br/>Contracts</b> |
|---|-----------------------------|
| <b>Liabilities:</b>   |                             |
| Balance, as of August 31, 2011                                  |                             |
| Accrued discounts/premiums                                      | \$ (46,404)                 |
| Net realized gain (loss)  |                             |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 350,506                     |
| Purchases   |                             |
| Issuances <sup>5</sup>  | 432,194                     |
| Sales   |                             |
| Settlements <sup>6</sup>  | (385,790)                   |
| Transfers in <sup>7</sup>                                       |                             |
| Transfers out <sup>7</sup>                                      |                             |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 350,506</b>           |

- <sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$350,506.

- <sup>5</sup> Issuances represent upfront cash received on certain derivative financial instruments.

- <sup>6</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

- <sup>7</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

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

| Common Stocks  | Shares               | Value     |
|--|----------------------|-----------|
| <b>Auto Components 0.5%</b>  |                      |           |
| Delphi Automotive Plc  | 1,419                | \$ 45,421 |
| Delphi Automotive Plc (180-day lock)<br>(Acquired 11/17/11, cost \$108,667) (b)  | 17,779               | 554,692   |
|  |                      | 600,113   |
| <b>Diversified Financial Services 0.6%</b>                                       |                      |           |
| Kcad Holdings I Ltd.   | 84,871,761           | 777,001   |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                    |                      |           |
| Travelport Worldwide Ltd.  | 35,081               | 17,540    |
| <b>Software 0.0%</b>   |                      |           |
| Bankruptcy Management Solutions, Inc. (a)  | 251                  | 5         |
| HMH Holdings/EduMedia  | 39,515               | 9,879     |
|  |                      | 9,884     |
| <b>Total Common Stocks 1.1%</b>  |                      | 1,404,538 |
|  | <b>Par<br/>(000)</b> |           |
| <b>Corporate Bonds</b>   |                      |           |
| <b>Aerospace &amp; Defense 0.5%</b>  |                      |           |
| Huntington Ingalls Industries, Inc.:   |                      |           |
| 6.88%, 3/15/18   | USD 100              | 105,250   |
| 7.13%, 3/15/21   | 140                  | 149,975   |
| Kratos Defense & Security Solutions, Inc.,<br>10.00%, 6/01/17                    | 358                  | 385,745   |
|  |                      | 640,970   |
| <b>Air Freight &amp; Logistics 0.5%</b>  |                      |           |
| National Air Cargo Group, Inc.:  |                      |           |
| Series 1, 12.38%, 9/02/15  | 295                  | 307,956   |
| Series 2, 12.38%, 8/16/15  | 299                  | 311,301   |
|  |                      | 619,257   |
| <b>Airlines 1.9%</b>   |                      |           |
| American Airlines Pass-Through Trust, Series 2011-2,<br>Class A, 8.63%, 10/15/21 | 519                  | 550,140   |
| Continental Airlines, Inc.:  |                      |           |
| 6.75%, 9/15/15 (c)   | 270                  | 272,700   |
| Series 2010-1, Class B, 6.00%, 1/12/19   | 192                  | 186,145   |
| Delta Air Lines, Inc., Series 2009-1-B, Class B,<br>9.75%, 2/17/16               | 97                   | 102,660   |
| United Air Lines, Inc., 12.75%, 7/15/12  | 835                  | 863,985   |
| US Airways Pass-Through Trust, Series 2011-1,<br>Class C, 10.88%, 10/22/14       | 310                  | 310,000   |
|  |                      | 2,285,630 |
| <b>Auto Components 2.1%</b>  |                      |           |
| Allison Transmission, Inc., 11.00%, 11/01/15 (c)                                 | 32                   | 33,800    |
| Baker Corp. International, Inc., 8.25%, 6/01/19 (c)                              | 95                   | 96,900    |
| Dana Holding Corp., 6.75%, 2/15/21   | 200                  | 216,500   |
| Delphi Corp., 6.13%, 5/15/21 (c)   | 80                   | 85,800    |
| Icahn Enterprises LP, 8.00%, 1/15/18   | 1,510                | 1,600,600 |
| International Automotive Components Group, SL,<br>9.13%, 6/01/18 (c)             | 20                   | 17,800    |
| Stanadyne Corp., Series 1, 10.00%, 8/15/14                                       | 335                  | 306,525   |
| Titan International, Inc., 7.88%, 10/01/17                                       | 190                  | 201,875   |

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|  |     |              |    |              |
|--|-----|--------------|----|--------------|
|  |     |              |    | 2,559,800    |
| <b>Beverages 0.4%</b>                                      |     |              |    |              |
| Cott Beverages, Inc., 8.13%, 9/01/18                       |     | 125          |    | 137,812      |
| Crown European Holdings SA (c):                            |     |              |    |              |
| 7.13%, 8/15/18   | EUR | 167          |    | 238,347      |
| 7.13%, 8/15/18   |     | 100          |    | 142,723      |
|  |     |              |    | 518,882      |
|  |     |              |    |              |
| <b>Corporate Bonds</b>                                     |     | <b>Par</b>   |    | <b>Value</b> |
|  |     | <b>(000)</b> |    |              |
| <b>Biotechnology 0.1%</b>                                  |     |              |    |              |
| QHP Pharma, 10.25%, 3/15/15 (c)                            | USD | 103          | \$ | 103,403      |
| <b>Building Products 0.7%</b>                              |     |              |    |              |
| Building Materials Corp. of America (c):                   |     |              |    |              |
| 7.00%, 2/15/20   |     | 210          |    | 227,850      |
| 6.75%, 5/01/21   |     | 450          |    | 489,375      |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16 |     | 220          |    | 184,800      |
|  |     |              |    | 902,025      |
| <b>Capital Markets 1.2%</b>                                |     |              |    |              |
| American Capital Ltd., 8.96%, 12/31/13 (d)                 |     | 320          |    | 325,933      |
| E*Trade Financial Corp.:                                   |     |              |    |              |
| 12.50%, 11/30/17   |     | 485          |    | 565,025      |
| Series A, 0.74%, 8/31/19 (e)(f)                            |     | 295          |    | 279,144      |
| KKR Group Finance Co., 6.38%, 9/29/20 (c)                  |     | 300          |    | 319,265      |
|  |     |              |    | 1,489,367    |
| <b>Chemicals 3.6%</b>                                      |     |              |    |              |
| American Pacific Corp., 9.00%, 2/01/15                     |     | 400          |    | 390,000      |
| Ashland, Inc., 9.13%, 6/01/17                              |     | 195          |    | 218,887      |
| Celanese US Holdings LLC, 5.88%, 6/15/21                   |     | 810          |    | 882,900      |
| Chemtura Corp., 7.88%, 9/01/18                             |     | 175          |    | 188,125      |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20                 |     | 145          |    | 142,100      |
| Huntsman International LLC, 8.63%, 3/15/21                 |     | 80           |    | 90,400       |
| Kinove German Bondco GmbH, 10.00%, 6/15/18                 | EUR | 164          |    | 224,506      |
| Kraton Polymers LLC, 6.75%, 3/01/19                        | USD | 55           |    | 56,100       |
| Lyondell Chemical Co., 11.00%, 5/01/18                     |     | 1,272        |    | 1,394,065    |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (c)          |     | 75           |    | 82,313       |
| Nexo Solutions LLC, 8.38%, 3/01/18 (c)                     |     | 85           |    | 85,000       |
| PolyOne Corp., 7.38%, 9/15/20                              |     | 100          |    | 107,750      |
| Solutia, Inc., 7.88%, 3/15/20                              |     | 280          |    | 328,300      |
| TPC Group LLC, 8.25%, 10/01/17                             |     | 155          |    | 163,525      |
|  |     |              |    | 4,353,971    |
| <b>Commercial Banks 2.1%</b>                               |     |              |    |              |
| CIT Group, Inc. (c):                                       |     |              |    |              |
| 7.00%, 5/02/16   |     | 1,128        |    | 1,129,410    |
| 7.00%, 5/02/17   |     | 1,200        |    | 1,201,500    |
| 5.50%, 2/15/19   |     | 270          |    | 275,737      |
|  |     |              |    | 2,606,647    |
| <b>Commercial Services &amp; Supplies 2.0%</b>             |     |              |    |              |
| ACCO Brands Corp., 10.63%, 3/15/15                         |     | 155          |    | 171,083      |
| ARAMARK Corp., 8.50%, 2/01/15                              |     | 6            |    | 6,158        |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (c)           |     | 230          |    | 227,985      |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)            |     | 181          |    | 188,936      |
| Brickman Group Holdings, Inc., 9.13%,<br>11/01/18 (c)      |     | 9            |    | 8,550        |
| Casella Waste Systems, Inc., 7.75%, 2/15/19                |     | 304          |    | 302,480      |
| Clean Harbors, Inc., 7.63%, 8/15/16                        |     | 160          |    | 169,600      |
| Iron Mountain, Inc., 7.75%, 10/01/19                       |     | 200          |    | 221,000      |
| Mobile Mini, Inc., 7.88%, 12/01/20                         |     | 165          |    | 173,250      |
| RSC Equipment Rental, Inc.:                                |     |              |    |              |
| 10.00%, 7/15/17 (c)  |     | 275          |    | 319,000      |
| 8.25%, 2/01/21   |     | 392          |    | 415,520      |

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|  |     |           |
|--|-----|-----------|
| WCA Waste Corp., 7.50%, 6/15/19 (c)            | 150 | 151,875   |
| West Corp., 8.63%, 10/01/18                    | 65  | 71,337    |
|  |     | 2,426,774 |
| <b>Communications Equipment 0.7%</b>           |     |           |
| Avaya, Inc., 9.75%, 11/01/15                   | 310 | 310,000   |
| Frontier Communications Corp., 6.25%, 1/15/13  | 400 | 413,000   |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 170 | 180,200   |
|  |     | 903,200   |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Computers &amp; Peripherals 0.1%</b>                        |     |              |            |
| SanDisk Corp., 1.50%, 8/15/17 (f)                              | USD | 100          | \$ 119,750 |
| <b>Construction &amp; Engineering 0.1%</b>                     |     |              |            |
| Abengoa SA, 8.50%, 3/31/16                                     | EUR | 50           | 68,294     |
| Boart Longyear Management Property Ltd.,<br>7.00%, 4/01/21 (c) | USD | 90           | 94,725     |
|  |     |              | 163,019    |
| <b>Construction Materials 0.1%</b>                             |     |              |            |
| Xefin Lux SCA, 8.00%, 6/01/18 (c)                              | EUR | 113          | 151,303    |
| <b>Consumer Finance 1.8%</b>                                   |     |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                        | USD | 220          | 234,300    |
| Ford Motor Credit Co. LLC:                                     |     |              |            |
| 7.80%, 6/01/12   |     | 300          | 303,698    |
| 7.00%, 4/15/15   |     | 1,080        | 1,198,800  |
| 12.00%, 5/15/15  |     | 330          | 414,956    |
|  |     |              | 2,151,754  |
| <b>Containers &amp; Packaging 1.5%</b>                         |     |              |            |
| Ardagh Packaging Finance Plc (c):                              |     |              |            |
| 7.38%, 10/15/17  |     | 200          | 215,000    |
| 7.38%, 10/15/17  | EUR | 285          | 400,589    |
| 9.13%, 10/15/20  | USD | 200          | 206,500    |
| Berry Plastics Corp.:  |     |              |            |
| 4.42%, 9/15/14 (g)   |     | 135          | 129,263    |
| 8.25%, 11/15/15  |     | 55           | 59,125     |
| 9.75%, 1/15/21   |     | 160          | 171,200    |
| GCL Holdings SCA, 9.38%, 4/15/18 (c)                           | EUR | 120          | 142,689    |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18      | USD | 175          | 192,500    |
| OI European Group BV, 6.88%, 3/31/17                           | EUR | 100          | 138,559    |
| Sealed Air Corp., 8.38%, 9/15/21 (c)                           | USD | 115          | 131,675    |
|  |     |              | 1,787,100  |
| <b>Diversified Consumer Services 0.3%</b>                      |     |              |            |
| ServiceMaster Co., 8.00%, 2/15/20 (c)                          |     | 290          | 305,950    |
| <b>Diversified Financial Services 4.8%</b>                     |     |              |            |
| Ally Financial, Inc.:  |     |              |            |
| 7.50%, 12/31/13  |     | 90           | 95,850     |
| 8.30%, 2/12/15   |     | 230          | 254,150    |
| 6.25%, 12/01/17  |     | 230          | 237,732    |
| 7.50%, 9/15/20   |     | 290          | 319,362    |
| 8.00%, 11/01/31  |     | 500          | 558,125    |
| 8.00%, 11/01/31  |     | 270          | 292,965    |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16          |     | 170          | 181,263    |
| Boparan Holdings Ltd. (c):                                     |     |              |            |
| 9.75%, 4/30/18   | EUR | 100          | 131,098    |
| 9.88%, 4/30/18   | GBP | 100          | 156,704    |
| DPL, Inc., 7.25%, 10/15/21 (c)                                 | USD | 360          | 410,400    |
| FCE Bank Plc, 4.75%, 1/19/15                                   | EUR | 360          | 491,614    |
| General Motors Financial Co., Inc., 6.75%,<br>6/01/18          | USD | 140          | 151,082    |
| Leucadia National Corp., 8.13%, 9/15/15                        |     | 378          | 420,525    |



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|                                  |     |     |           |
|----------------------------------|-----|-----|-----------|
| Reynolds Group Issuer, Inc. (c): |     |     |           |
| 7.00%, 10/15/16 (h)              |     | 348 | 370,620   |
| 8.75%, 10/15/16                  | EUR | 227 | 321,334   |
| 7.13%, 4/15/19                   | USD | 115 | 121,613   |
| 7.88%, 8/15/19                   |     | 490 | 536,550   |
| 9.88%, 8/15/19                   |     | 475 | 491,031   |
| WMG Acquisition Corp. (c):       |     |     |           |
| 9.50%, 6/15/16                   |     | 55  | 60,775    |
| 11.50%, 10/01/18                 |     | 265 | 281,562   |
|                                  |     |     | 5,884,355 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>                                |              |            |
| <b>Diversified Telecommunication Services 3.4%</b>    |              |            |
| Broadview Networks Holdings, Inc., 11.38%,<br>9/01/12 |              |            |
|   | USD          | \$ 430,800 |
| GCI, Inc., 6.75%, 6/01/21                             |              | 129,600    |
| ITC Deltacom, Inc., 10.50%, 4/01/16                   |              | 145,950    |
| Level 3 Communications, Inc., 6.50%, 10/01/16 (f)     |              | 139,050    |
| Level 3 Financing, Inc. (c):                          |              |            |
| 8.13%, 7/01/19  | 1,213        | 1,270,617  |
| 8.63%, 7/15/20  | 480          | 512,400    |
| Qwest Communications International, Inc.:             |              |            |
| 7.50%, 2/15/14  | 600          | 602,100    |
| 8.00%, 10/01/15                                       | 550          | 590,391    |
| Videotron Ltee, 5.00%, 7/15/22 (c)(i)                 | 80           | 80,200     |
| Windstream Corp.:                                     |              |            |
| 8.13%, 8/01/13  | 112          | 120,120    |
| 7.88%, 11/01/17                                       | 163          | 183,783    |
|   |              | 4,205,011  |

|  |     |         |
|--|-----|---------|
| <b>Electric Utilities 0.6%</b>                                 |     |         |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14             | EUR | 684,769 |
| <b>Electronic Equipment, Instruments &amp; Components 0.2%</b> |     |         |
| Elster Finance BV, 6.25%, 4/15/18 (c)                          |     | 140,499 |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | USD | 124,950 |
|  |     | 265,449 |

|  |       |           |
|--|-------|-----------|
| <b>Energy Equipment &amp; Services 3.3%</b>                  |       |           |
| Antero Resources Finance Corp., 7.25%,<br>8/01/19 (c)        |       |           |
|  |       | 79,125    |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                        |       | 68,413    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                     |       | 185,000   |
| Compagnie Générale de Géophysique-Veritas,<br>7.75%, 5/15/17 |       | 177,013   |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                  |       | 162,525   |
| Frac Tech Services LLC, 7.63%, 11/15/18 (c)                  |       | 848,662   |
| Key Energy Services, Inc., 6.75%, 3/01/21                    |       | 214,737   |
| MEG Energy Corp., 6.50%, 3/15/21 (c)                         |       | 476,150   |
| Oil States International, Inc., 6.50%, 6/01/19               |       | 150,500   |
| Peabody Energy Corp., 6.25%, 11/15/21 (c)                    | 1,200 | 1,257,000 |
| Transocean, Inc., 6.38%, 12/15/21                            | 345   | 407,152   |
|  |       | 4,026,277 |

|  |       |           |
|--|-------|-----------|
| <b>Food Products 0.1%</b>                                      |       |           |
| Post Holdings, Inc., 7.38%, 2/15/22 (c)                        |       | 106,500   |
| <b>Health Care Equipment &amp; Supplies 2.2%</b>               |       |           |
| Biomet, Inc.:  |       |           |
| 10.00%, 10/15/17   |       | 97,762    |
| 10.38%, 10/15/17 (j)   |       | 702,244   |
| DJO Finance LLC:   |       |           |
| 10.88%, 11/15/14   | 1,070 | 1,088,725 |
| 7.75%, 4/15/18   | 50    | 43,000    |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (c) | 48    | 53,160    |

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|   |     |       |           |
|---|-----|-------|-----------|
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)         |     | 505   | 583,275   |
| Teleflex, Inc., 6.88%, 6/01/19                            |     | 130   | 140,075   |
|   |     |       | 2,708,241 |
| <b>Health Care Providers &amp; Services 5.7%</b>          |     |       |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19             |     | 190   | 194,275   |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)             | EUR | 200   | 276,452   |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (c)                     | GBP | 200   | 313,805   |
| <b>HCA, Inc.:</b>   |     |       |           |
| 8.50%, 4/15/19  | USD | 60    | 67,200    |
| 6.50%, 2/15/20  |     | 915   | 981,337   |
| 7.88%, 2/15/20  |     | 40    | 44,100    |
| 7.25%, 9/15/20  |     | 1,400 | 1,526,000 |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (c) |     | 435   | 453,488   |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Health Care Providers &amp; Services (concluded)</b>           |              |            |
| IASIS Healthcare LLC, 8.38%, 5/15/19                              | USD 340      | \$ 324,700 |
| INC Research LLC, 11.50%, 7/15/19 (c)                             | 185          | 177,600    |
| inVentiv Health, Inc., 10.00%, 8/15/18 (c)                        | 55           | 50,050     |
| Omnicare, Inc., 7.75%, 6/01/20                                    | 450          | 501,187    |
| Symbion, Inc., 8.00%, 6/15/16                                     | 155          | 149,575    |
| Tenet Healthcare Corp.:   |              |            |
| 10.00%, 5/01/18   | 312          | 363,480    |
| 6.25%, 11/01/18 (c)   | 150          | 159,938    |
| 8.88%, 7/01/19  | 1,175        | 1,339,500  |
|   |              | 6,922,687  |
| <b>Health Care Technology 1.1%</b>                                |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (c)                             | 1,125        | 1,338,750  |
| <b>Hotels, Restaurants &amp; Leisure 2.4%</b>                     |              |            |
| Caesars Entertainment Operating Co., Inc.:                        |              |            |
| 11.25%, 6/01/17   | 140          | 153,300    |
| 10.00%, 12/15/18  | 660          | 509,850    |
| Caesars Operating Escrow, LLC., 8.50%, 2/15/20 (c)                | 320          | 326,400    |
| Diamond Resorts Corp., 12.00%, 8/15/18                            | 550          | 580,250    |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (c)                         | 60           | 57,150     |
| MGM Resorts International:  |              |            |
| 10.38%, 5/15/14   | 125          | 142,187    |
| 11.13%, 11/15/17  | 790          | 898,625    |
| Travelport LLC:   |              |            |
| 5.15%, 9/01/14 (g)  | 85           | 43,563     |
| 9.88%, 9/01/14  | 20           | 11,450     |
| 9.00%, 3/01/16  | 60           | 31,800     |
| 6.58%, 12/01/16 (c)(g)(j)   | 185          | 130,393    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(k) | 215          |            |
|   |              | 2,884,968  |
| <b>Household Durables 1.9%</b>                                    |              |            |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                          | 720          | 784,800    |
| Jarden Corp., 7.50%, 1/15/20                                      | EUR 140      | 188,387    |
| Ryland Group, Inc., 6.63%, 5/01/20                                | USD 160      | 163,200    |
| Standard Pacific Corp.:   |              |            |
| 10.75%, 9/15/16   | 890          | 1,022,388  |
| 8.38%, 1/15/21  | 140          | 148,750    |
|   |              | 2,307,525  |
| <b>Household Products 0.5%</b>                                    |              |            |
| Ontex IV SA, 7.50%, 4/15/18 (c)                                   | EUR 100      | 122,572    |
| Spectrum Brands Holdings, Inc.:                                   |              |            |
| 9.50%, 6/15/18  | USD 160      | 182,400    |
| 9.50%, 6/15/18 (c)  | 270          | 307,800    |
|   |              | 612,772    |
| <b>Independent Power Producers &amp; Energy Traders 2.9%</b>      |              |            |
| AES Corp., 7.38%, 7/01/21 (c)                                     | 295          | 336,300    |
| Calpine Corp. (c):  |              |            |
| 7.25%, 10/15/17   | 80           | 84,800     |
| 7.50%, 2/15/21  | 45           | 48,825     |

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|   |       |           |
|---|-------|-----------|
| 7.88%, 1/15/23                                | 130   | 141,700   |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 1,365 | 1,475,906 |
| Energy Future Intermediate Holding Co. LLC:   |       |           |
| 10.00%, 12/01/20                              | 431   | 468,174   |
| 11.75%, 3/01/22 (c)                           | 635   | 650,875   |
| Laredo Petroleum, Inc., 9.50%, 2/15/19        | 230   | 253,575   |
| QEP Resources, Inc., 5.38%, 10/01/22          | 148   | 149,480   |
|   |       | 3,609,635 |

| Corporate Bonds                                       | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Industrial Conglomerates 2.5%</b>                  |              |              |
| Sequa Corp. (c):                                      |              |              |
| 11.75%, 12/01/15                                      | USD 1,060    | \$ 1,126,250 |
| 13.50%, 12/01/15                                      | 1,770        | 1,888,985    |
|   |              | 3,015,235    |
| <b>Insurance 1.1%</b>                                 |              |              |
| Alliant Holdings I, Inc., 11.00%, 5/01/15 (c)         | 800          | 841,000      |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (c)         | 168          | 180,810      |
| Genworth Financial, Inc., 7.63%, 9/24/21              | 190          | 197,130      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)     | 120          | 107,100      |
|   |              | 1,326,040    |
| <b>IT Services 1.5%</b>                               |              |              |
| Eagle Parent Canada, Inc., 8.63%, 5/01/19 (c)         | 230          | 238,050      |
| First Data Corp.:                                     |              |              |
| 7.38%, 6/15/19 (c)                                    | 90           | 91,013       |
| 8.25%, 1/15/21 (c)                                    | 305          | 295,087      |
| 12.63%, 1/15/21                                       | 688          | 722,400      |
| SunGard Data Systems, Inc.:                           |              |              |
| 7.38%, 11/15/18                                       | 200          | 215,000      |
| 7.63%, 11/15/20                                       | 280          | 302,400      |
|   |              | 1,863,950    |
| <b>Machinery 1.0%</b>                                 |              |              |
| Navistar International Corp.:                         |              |              |
| 3.00%, 10/15/14 (f)                                   | 270          | 304,087      |
| 8.25%, 11/01/21                                       | 63           | 68,906       |
| SPX Corp., 6.88%, 9/01/17                             | 80           | 88,800       |
| UR Financing Escrow Corp. (c)(i):                     |              |              |
| 5.75%, 7/15/18  | 114          | 117,135      |
| 7.38%, 5/15/20  | 155          | 159,069      |
| 7.63%, 4/15/22  | 422          | 436,770      |
|   |              | 1,174,767    |
| <b>Media 14.8%</b>                                    |              |              |
| Affinion Group, Inc., 7.88%, 12/15/18                 | 365          | 326,675      |
| AMC Networks, Inc., 7.75%, 7/15/21 (c)                | 100          | 111,500      |
| CCH II LLC, 13.50%, 11/30/16                          | 1,637        | 1,882,714    |
| CCO Holdings LLC:                                     |              |              |
| 7.88%, 4/30/18  | 50           | 54,625       |
| 7.38%, 6/01/20  | 120          | 132,000      |
| 6.50%, 4/30/21  | 223          | 236,938      |
| Checkout Holding Corp., 10.96%, 11/15/15 (c)(e)       | 310          | 139,500      |
| Cinemark USA, Inc., 8.63%, 6/15/19                    | 120          | 133,500      |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21 | 250          | 230,000      |
| Clear Channel Worldwide Holdings, Inc.:               |              |              |
| 9.25%, 12/15/17                                       | 686          | 751,170      |
| 7.63%, 3/15/20 (c)(i)                                 | 465          | 465,000      |
| Series B, 9.25%, 12/15/17                             | 2,656        | 2,921,600    |
| Cox Enterprises, Inc.:                                |              |              |
| Loan Close 2, 4.00%, 8/15/18                          | 321          | 325,876      |
| Loan Close 3, 4.00%, 8/15/18                          | 367          | 372,570      |

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|  |     |         |
|--|-----|---------|
| Shares Loan, 4.00%, 8/15/18            | 379 | 384,250 |
| CSC Holdings LLC, 8.50%, 4/15/14       | 180 | 199,800 |
| DISH DBS Corp.:                        |     |         |
| 7.00%, 10/01/13                        | 192 | 206,160 |
| 6.75%, 6/01/21                         | 180 | 199,800 |
| Gray Television, Inc., 10.50%, 6/29/15 | 445 | 470,031 |
| Harland Clarke Holdings Corp.:         |     |         |
| 6.00%, 5/15/15 (g)                     | 160 | 109,200 |
| 9.50%, 5/15/15                         | 140 | 110,250 |
| Intelsat Luxembourg SA:                |     |         |
| 11.25%, 6/15/16                        | 680 | 719,100 |
| 11.25%, 2/04/17                        | 160 | 165,000 |
| 11.50%, 2/04/17 (j)                    | 605 | 623,150 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>  |     |              |            |
| <b>Media (concluded)</b>  |     |              |            |
| Interactive Data Corp., 10.25%, 8/01/18                                     | USD | 615          | \$ 693,412 |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                     |     | 155          | 177,475    |
| Kabel BW Erste Beteiligungs GmbH, 7.50%,<br>3/15/19 (c)                     | EUR | 304          | 433,370    |
| Kabel Deutschland Vertrieb und Service GmbH &<br>Co. KG, 6.50%, 6/29/18 (c) |     | 155          | 217,883    |
| Lamar Media Corp., 5.88%, 2/01/22 (c)                                       | USD | 90           | 93,938     |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)                         |     | 335          | 356,356    |
| Musketeer GmbH, 9.50%, 3/15/21 (c)  | EUR | 190          | 273,388    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (c)                      | USD | 290          | 319,000    |
| Nielsen Finance LLC:  |     |              |            |
| 11.63%, 2/01/14   |     | 72           | 83,700     |
| 7.75%, 10/15/18   |     | 970          | 1,079,125  |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)                                   | GBP | 100          | 157,101    |
| ProQuest LLC, 9.00%, 10/15/18 (c)   | USD | 230          | 203,550    |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(f)(k)                             |     | 1,427        | 714        |
| Unitymedia GmbH:  |     |              |            |
| 9.63%, 12/01/19   | EUR | 100          | 143,888    |
| 9.63%, 12/01/19 (c)   |     | 245          | 352,526    |
| Unitymedia Hessen GmbH & Co. KG<br>(FKA UPC Germany GmbH):                  |     |              |            |
| 8.13%, 12/01/17 (c)   | USD | 425          | 461,125    |
| 8.13%, 12/01/17   | EUR | 175          | 250,639    |
| UPC Holding BV, 9.88%, 4/15/18 (c)  | USD | 200          | 222,000    |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (c)                                    | EUR | 371          | 491,812    |
| Virgin Media Secured Finance Plc, 7.00%,<br>1/15/18 (i)                     | GBP | 100          | 171,817    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)                                       | EUR | 175          | 246,559    |
| Ziggo Finance BV, 6.13%, 11/15/17 (c)                                       |     | 317          | 438,177    |
|   |     |              | 18,137,964 |
| <b>Metals &amp; Mining 2.9%</b>   |     |              |            |
| Goldcorp, Inc., 2.00%, 8/01/14 (f)  | USD | 460          | 583,050    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (f)                       |     | 670          | 924,600    |
| Novelis, Inc., 8.75%, 12/15/20  |     | 1,525        | 1,700,375  |
| Taseko Mines Ltd., 7.75%, 4/15/19   |     | 190          | 182,400    |
| Vedanta Resources Plc, 8.25%, 6/07/21 (c)                                   |     | 200          | 184,500    |
|   |     |              | 3,574,925  |
| <b>Multiline Retail 1.8%</b>  |     |              |            |
| Dollar General Corp., 11.88%, 7/15/17 (g)                                   |     | 2,020        | 2,216,970  |
| <b>Oil, Gas &amp; Consumable Fuels 10.2%</b>                                |     |              |            |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21                               |     | 180          | 174,600    |
| Berry Petroleum Co., 8.25%, 11/01/16  |     | 275          | 286,687    |
| Bill Barrett Corp., 9.88%, 7/15/16  |     | 10           | 11,050     |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)                            |     | 115          | 120,463    |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18                                    |     | 60           | 62,400     |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (c)                     |     | 120          | 124,200    |

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|   |     |         |
|---|-----|---------|
| Chesapeake Oilfield Operating LLC, 6.63%,<br>11/15/19 (c) | 25  | 25,500  |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (c)             | 122 | 130,540 |
| Concho Resources, Inc., 7.00%, 1/15/21                    | 190 | 213,750 |
| Consol Energy, Inc., 8.25%, 4/01/20                       | 905 | 986,450 |
| Continental Resources, Inc., 7.13%, 4/01/21               | 170 | 188,700 |
| Copano Energy LLC, 7.13%, 4/01/21                         | 150 | 159,000 |
| Crosstex Energy LP, 8.88%, 2/15/18                        | 85  | 92,225  |
| Denbury Resources, Inc.:                                  |     |         |
| 8.25%, 2/15/20  | 318 | 362,520 |
| 6.38%, 8/15/21  | 160 | 176,400 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                     |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>         |              |            |
| Energy XXI Gulf Coast, Inc.:                               |              |            |
| 9.25%, 12/15/17  | USD 250      | \$ 276,875 |
| 7.75%, 6/15/19   | 405          | 427,275    |
| EV Energy Partners LP, 8.00%, 4/15/19                      | 70           | 73,500     |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (c)                    | 350          | 381,500    |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)                | 150          | 160,500    |
| Linn Energy LLC:   |              |            |
| 6.50%, 5/15/19 (c)   | 45           | 45,900     |
| 6.25%, 11/01/19 (c)  | 720          | 719,100    |
| 8.63%, 4/15/20   | 100          | 111,000    |
| 7.75%, 2/01/21   | 95           | 102,125    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20               | 60           | 65,550     |
| Newfield Exploration Co., 6.88%, 2/01/20                   | 425          | 459,000    |
| Niska Gas Storage US LLC, 8.88%, 3/15/18                   | 265          | 254,400    |
| Oasis Petroleum, Inc.:                                     |              |            |
| 7.25%, 2/01/19   | 150          | 159,000    |
| 6.50%, 11/01/21  | 135          | 139,050    |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (c) | 2,110        | 2,199,675  |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (c)                    | 155          | 155,000    |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)                | 390          | 414,375    |
| Petrohawk Energy Corp.:                                    |              |            |
| 10.50%, 8/01/14  | 180          | 200,025    |
| 7.88%, 6/01/15   | 210          | 221,812    |
| 7.25%, 8/15/18   | 145          | 165,844    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)            | 265          | 278,250    |
| Pioneer Natural Resources Co.:                             |              |            |
| 6.88%, 5/01/18   | 210          | 246,681    |
| 7.50%, 1/15/20   | 65           | 80,325     |
| Plains Exploration & Production Co.:                       |              |            |
| 6.63%, 5/01/21   | 360          | 388,800    |
| 6.75%, 2/01/22   | 230          | 251,850    |
| Precision Drilling Corp., 6.50%, 12/15/21 (c)              | 135          | 144,113    |
| Range Resources Corp.:                                     |              |            |
| 8.00%, 5/15/19   | 170          | 189,550    |
| 5.75%, 6/01/21   | 445          | 476,150    |
| Samson Investment Co., 9.75%, 2/15/20 (c)                  | 290          | 305,225    |
| SandRidge Energy, Inc., 7.50%, 3/15/21                     | 210          | 212,100    |
| SM Energy Co., 6.63%, 2/15/19                              | 60           | 64,350     |
|  |              | 12,483,385 |
| <b>Paper &amp; Forest Products 2.3%</b>                    |              |            |
| Boise Paper Holdings LLC:                                  |              |            |
| 9.00%, 11/01/17  | 200          | 220,000    |
| 8.00%, 4/01/20   | 70           | 76,825     |
| Clearwater Paper Corp.:                                    |              |            |
| 10.63%, 6/15/16  | 185          | 210,206    |

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|   |     |     |           |
|---|-----|-----|-----------|
| 7.13%, 11/01/18   |     | 270 | 287,550   |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (c)                       |     | 755 | 836,409   |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (c) |     | 155 | 159,263   |
| NewPage Corp., 11.38%, 12/31/14 (a)(k)                        |     | 995 | 599,487   |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)                 |     | 65  | 60,938    |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                     |     | 365 | 372,300   |
|   |     |     | 2,822,978 |
| <b>Pharmaceuticals 0.7%</b>                                   |     |     |           |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (c)                  | EUR | 100 | 143,222   |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (c)                    | USD | 190 | 207,813   |
| Valeant Pharmaceuticals International, 6.50%,<br>7/15/16 (c)  |     | 550 | 561,000   |
|   |     |     | 912,035   |
| <b>Professional Services 0.6%</b>                             |     |     |           |
| FTI Consulting, Inc.:   |     |     |           |
| 7.75%, 10/01/16   |     | 275 | 286,344   |
| 6.75%, 10/01/20   |     | 425 | 459,531   |
|   |     |     | 745,875   |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                       |              |            |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>            |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                            | USD 635      | \$ 649,287 |
| The Rouse Co. LP, 6.75%, 11/09/15                            | 240          | 251,100    |
|  |              | 900,387    |
| <b>Real Estate Management &amp; Development 1.9%</b>         |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                         | 160          | 170,000    |
| Realogy Corp.:   |              |            |
| 11.50%, 4/15/17  | 175          | 160,125    |
| 12.00%, 4/15/17  | 45           | 41,400     |
| 7.88%, 2/15/19 (c)   | 1,045        | 1,013,650  |
| 7.63%, 1/15/20 (c)   | 220          | 227,150    |
| 9.00%, 1/15/20 (c)   | 160          | 160,800    |
| Shea Homes LP, 8.63%, 5/15/19 (c)                            | 565          | 570,650    |
|  |              | 2,343,775  |
| <b>Road &amp; Rail 1.2%</b>                                  |              |            |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19                   | 55           | 57,337     |
| Florida East Coast Railway Corp., 8.13%, 2/01/17             | 200          | 202,000    |
| The Hertz Corp.:   |              |            |
| 7.50%, 10/15/18  | 420          | 453,075    |
| 6.75%, 4/15/19 (c)(i)  | 130          | 136,175    |
| 6.75%, 4/15/19   | 50           | 52,375     |
| 7.38%, 1/15/21   | 540          | 584,550    |
|  |              | 1,485,512  |
| <b>Semiconductors &amp; Semiconductor<br/>Equipment 0.2%</b> |              |            |
| Spansion LLC, 7.88%, 11/15/17                                | 260          | 255,450    |
| <b>Software 0.2%</b>   |              |            |
| Sophia LP, 9.75%, 1/15/19 (c)                                | 198          | 212,850    |
| <b>Specialty Retail 2.2%</b>                                 |              |            |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20               | 165          | 176,963    |
| Hillman Group, Inc., 10.88%, 6/01/18                         | 250          | 261,875    |
| House of Fraser Funding Plc, 8.88%, 8/15/18 (c)              | GBP 129      | 183,677    |
| Limited Brands, Inc.:  |              |            |
| 8.50%, 6/15/19   | USD 70       | 83,650     |
| 5.63%, 2/15/22   | 70           | 72,100     |
| Phones4u Finance Plc, 9.50%, 4/01/18 (c)                     | GBP 130      | 181,482    |
| QVC, Inc. (c):   |              |            |
| 7.13%, 4/15/17   | USD 105      | 112,875    |
| 7.50%, 10/01/19  | 285          | 316,350    |
| 7.38%, 10/15/20  | 130          | 143,975    |
| Sally Holdings LLC, 6.88%, 11/15/19 (c)                      | 245          | 263,375    |
| Sonic Automotive, Inc., 9.00%, 3/15/18                       | 175          | 190,312    |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)                 | 70           | 71,925     |
| United Auto Group, Inc., 7.75%, 12/15/16                     | 655          | 682,844    |
|  |              | 2,741,403  |
| <b>Transportation Infrastructure 0.2%</b>                    |              |            |
| Aguila 3 SA, 7.88%, 1/31/18 (c)                              | 198          | 208,147    |
| <b>Wireless Telecommunication Services 5.0%</b>              |              |            |
| Cricket Communications, Inc., 7.75%, 5/15/16                 | 250          | 266,250    |
| Digicel Group Ltd. (c):                                      |              |            |
| 8.88%, 1/15/15   | 370          | 376,475    |

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|  |       |             |
|--|-------|-------------|
| 9.13%, 1/15/15                           | 1,220 | 1,244,400   |
| 8.25%, 9/01/17                           | 565   | 598,900     |
| 10.50%, 4/15/18                          | 200   | 218,000     |
| iPCS, Inc., 2.67%, 5/01/13 (g)           | 410   | 394,625     |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20 | 490   | 504,700     |
| NII Capital Corp., 7.63%, 4/01/21        | 302   | 308,795     |
| Sprint Capital Corp., 6.88%, 11/15/28    | 1,010 | 787,800     |
| Sprint Nextel Corp., 9.00%, 11/15/18 (c) | 1,230 | 1,371,450   |
|  |       | 6,071,395   |
| <b>Total Corporate Bonds 99.8%</b>       |       | 122,138,784 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (g)</b>   |              |            |
| <b>Airlines 0.2%</b>  |              |            |
| Delta Air Lines, Inc., Credit New Term Loan B,<br>5.50%, 4/20/17                        | USD 274      | \$ 267,181 |
| <b>Auto Components 0.2%</b>   |              |            |
| Schaeffler AG, Term Loan C2, 5.29%, 1/27/17   | 225          | 225,657    |
| <b>Building Products 0.2%</b>   |              |            |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17                       | 191          | 193,893    |
| <b>Capital Markets 0.4%</b>   |              |            |
| Nuveen Investments, Inc., Incremental Term Loan,<br>(First Lien):                       |              |            |
| 7.25%, 3/14/19  | 185          | 186,619    |
| 7.25%, 5/13/17  | 295          | 297,065    |
|   |              | 483,684    |
| <b>Chemicals 0.1%</b>   |              |            |
| Styron Sarl LLC, Term Loan B, 6.00% 6.75%,<br>8/02/17                                   | 208          | 187,256    |
| <b>Commercial Services &amp; Supplies 0.8%</b>  |              |            |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16                            | 220          | 219,674    |
| Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16                                      | 325          | 325,348    |
| Volume Services America, Inc. (FKA Centerplate),<br>Term Loan B, 10.50% 10.75%, 9/16/16 | 444          | 446,228    |
|   |              | 991,250    |
| <b>Communications Equipment 0.1%</b>  |              |            |
| Avaya, Inc., Term Loan B1, 3.24%, 10/24/14  | 90           | 88,062     |
| <b>Consumer Finance 1.7%</b>  |              |            |
| Springleaf Finance Corp. (FKA AGFS Funding Co.),<br>Term Loan, 5.50%, 5/10/17           | 2,245        | 2,046,564  |
| <b>Diversified Consumer Services 0.0%</b>   |              |            |
| ServiceMaster Co.:  |              |            |
| Delayed Draw Term Loan, 2.75%, 7/24/14  | 4            | 4,005      |
| Term Loan, 2.77% 3.03%, 7/24/14   | 41           | 40,222     |
|   |              | 44,227     |
| <b>Diversified Telecommunication Services 0.8%</b>                                      |              |            |
| Hawaiian Telcom Communications, Inc.:   |              |            |
| Exit Term Loan, 9.00%, 2/25/17  | 405          | 403,987    |
| Level 3 Financing, Inc.:  |              |            |
| Term Loan B, 5.75%, 8/31/18   | 400          | 402,752    |
| Tranche A Term Loan, 2.50% 2.83%,<br>3/13/14  | 225          | 221,288    |
|   |              | 1,028,027  |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.1%</b>                      |              |            |
| CDW LLC (FKA CDW Corp.):  |              |            |
| Term Loan, 3.75%, 10/10/14  | 49           | 48,397     |
| Term Loan, 4.00%, 7/14/17   | 125          | 122,165    |
|   |              | 170,562    |

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**Energy Equipment & Services 2.2%**

|   |       |           |
|---|-------|-----------|
| CCS Corp., Incremental Term Loan, 5.62%,<br>10/17/14                  | 120   | 120,120   |
| Dynegy Midwest Generation LLC., Coal Co.<br>Term Loan, 9.25%, 8/04/16 | 899   | 893,697   |
| Dynegy Power LLC., Gas Co. Term Loan, 9.25%,<br>8/04/16               | 1,645 | 1,696,691 |
|   |       | 2,710,508 |

**Food & Staples Retailing 0.1%**

|  |    |        |
|--|----|--------|
| US Foodservice, Inc., Term Loan B, 2.74%,<br>7/03/14 | 75 | 72,375 |
|--|----|--------|

**Food Products 0.3%**

|   |     |         |
|---|-----|---------|
| Advance Pierre Foods, Term Loan (Second Lien),<br>11.25%, 9/29/17 | 400 | 400,332 |
|---|-----|---------|

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (g)</b>   |              |            |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>  |              |            |
| Hupah Finance, Inc., Term Loan B, 6.25%,<br>1/21/19   | USD 350      | \$ 349,783 |
| <b>Health Care Providers &amp; Services 0.8%</b>  |              |            |
| Harden Healthcare LLC:  |              |            |
| Term Loan A, 8.50%, 3/02/15   | 184          | 180,745    |
| Tranche A Additional Term Loan, 7.75%,<br>3/02/15   | 247          | 242,094    |
| Health Management Associates, Inc., Term Loan B,<br>4.50%, 11/16/18                           | 180          | 178,830    |
| inVentiv Health, Inc., Combined Term Loan, 6.50%,<br>8/04/16                                  | 353          | 339,739    |
|   |              | 941,408    |
| <b>Hotels, Restaurants &amp; Leisure 1.3%</b>   |              |            |
| Caesars Entertainment Operating Co., Inc.:  |              |            |
| Term Loan B-1, 9.50%, 1/28/15   | 313          | 293,027    |
| Term Loan B-3, 3.00% 3.58%, 1/28/15   | 452          | 423,765    |
| Term Loan B-3, 3.58%, 1/28/15   | 119          | 111,788    |
| Term Loan B-4, 9.50%, 10/31/16  | 220          | 226,301    |
| OSI Restaurant Partners LLC:  |              |            |
| Revolver, 2.56% 2.79%, 6/14/13  | 4            | 3,940      |
| Term Loan B, 2.56%, 6/14/14   | 41           | 39,971     |
| Station Casinos, Inc., Term Loan B1, 3.24%,<br>6/17/16  | 450          | 405,752    |
| Travelport LLC (FKA Travelport, Inc.):  |              |            |
| Extended Tranche A Term Loan, 6.54%, 9/28/12  | 85           | 40,439     |
| Extended Tranche B Term Loan, 14.04%,<br>12/01/16   | 265          | 59,515     |
|   |              | 1,604,498  |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.1%</b>                              |              |            |
| Texas Competitive Electric Holdings Co. LLC<br>(FKA TXU), Extended Term Loan, 4.76%, 10/10/17 | 341          | 190,048    |
| <b>Industrial Conglomerates 0.2%</b>  |              |            |
| Sequa Corp., Incremental Term Loan, 6.25%,<br>12/03/14  | 205          | 205,683    |
| <b>IT Services 0.3%</b>   |              |            |
| First Data Corp., Extended Term Loan B, 4.24%,<br>3/23/18                                     | 355          | 318,556    |
| <b>Leisure Equipment &amp; Products 0.2%</b>  |              |            |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/20/13   | 265          | 268,230    |
| <b>Media 5.3%</b>   |              |            |
| Cengage Learning Acquisitions, Inc.<br>(FKA Thomson Learning):                                |              |            |
| Term Loan, 1.49%, 7/03/14   | 140          | 129,920    |
| Tranche 1 Incremental Term Loan, 7.50%,<br>7/03/14  | 724          | 700,228    |
| Cequel Communications LLC, Term Loan B, 4.00%,<br>2/11/19                                     | 265          | 262,289    |
| Clear Channel Communications:   |              |            |

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|  |       |           |
|--|-------|-----------|
| Term Loan B, 3.89%, 1/28/16  | 965   | 791,969   |
| Term Loan C, 3.89%, 1/28/16  | 177   | 140,218   |
| HMH Publishing Co. Ltd., Tranche A Term Loan, 6.51%, 6/12/14   | 421   | 260,190   |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18 | 3,275 | 3,269,682 |
| Interactive Data Corp., Term Loan B, 4.50%, 2/12/18  | 25    | 24,944    |
| Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13   | 750   | 771,562   |
| Univision Communications, Inc., Extended First Lien Term Loan, 4.52%, 3/31/17                          | 150   | 139,297   |
|  |       | 6,490,299 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Floating Rate Loan Interests (g)</b>                                 |              |            |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>                             |              |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                  | USD 765      | \$ 769,196 |
| <b>Paper &amp; Forest Products 0.5%</b>                                 |              |            |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                            | 300          | 302,250    |
| Verso Paper Finance Holdings LLC, Term Loan, 6.79% 7.54%, 2/01/13 (j)   | 534          | 267,021    |
|   |              | 569,271    |
| <b>Pharmaceuticals 0.1%</b>   |              |            |
| Pharmaceutical Products Development, Inc., Term Loan B, 6.25%, 12/05/18 | 180          | 181,575    |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                       |              |            |
| iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13          | 753          | 749,944    |
| <b>Real Estate Management &amp; Development 0.2%</b>                    |              |            |
| Realogy Corp.:  |              |            |
| Extended Letter of Credit, 4.53%, 10/10/16                              | 35           | 32,294     |
| Extended Term Loan, 4.77%, 10/10/16                                     | 245          | 227,626    |
|   |              | 259,920    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b>                |              |            |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17                                   | 30           | 29,775     |
| <b>Software 0.2%</b>  |              |            |
| Infor Enterprise Solutions Holdings, Inc.:                              |              |            |
| Extended Delayed Draw Term Loan, 6.29%, 7/28/15                         | 69           | 67,813     |
| Extended Initial Term Loan, 6.29%, 7/28/15                              | 131          | 127,687    |
|   |              | 195,500    |
| <b>Specialty Retail 0.2%</b>  |              |            |
| Claire's Stores, Inc., Term Loan B, 2.99% 3.30%, 5/29/14                | 233          | 220,740    |
| <b>Wireless Telecommunication Services 1.3%</b>                         |              |            |
| Crown Castle International Corp., Term Loan B, 4.00%, 1/25/19           | 100          | 99,545     |
| Vodafone Americas Finance 2, Inc. (j):                                  |              |            |
| Term Loan, 6.88%, 8/11/15   | 831          | 830,646    |
| Term Loan B, 6.25%, 7/11/16   | 619          | 617,203    |
|   |              | 1,547,394  |
| <b>Total Floating Rate Loan Interests 19.4%</b>                         |              | 23,801,398 |

**Preferred Securities**

**Capital Trusts**

**Insurance 0.2%**

|   |     |         |
|---|-----|---------|
| Genworth Financial, Inc., 6.15%, 11/15/66 (g) | 390 | 267,637 |
|---|-----|---------|

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|   |             |     |         |
|---|-------------|-----|---------|
| <b>Oil, Gas &amp; Consumable Fuels</b>    | <b>0.2%</b> |     |         |
| Range Resources Corp., 5.00%, 8/15/22 (i) |             | 193 | 194,930 |
| <b>Total Capital Trusts</b>               | <b>0.4%</b> |     | 462,567 |

| <b>Preferred Stocks</b>                     |             | <b>Shares</b> |           |
|---|-------------|---------------|-----------|
| <b>Auto Components</b>                      | <b>0.2%</b> |               |           |
| Dana Holding Corp., 4.00% (c)(f)            |             | 2,200         | 296,175   |
| <b>Diversified Financial Services</b>       | <b>1.1%</b> |               |           |
| Ally Financial, Inc., 7.00% (c)             |             | 1,503         | 1,304,134 |
| <b>Media</b>                                | <b>0.2%</b> |               |           |
| Emmis Communications Corp., Series A, 6.25% |             | 10,300        | 190,653   |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

| Preferred Stocks                                  | Shares | Value     |
|---|--------|-----------|
| <b>Real Estate Investment Trusts (REITs) 0.0%</b> |        |           |
| MPG Office Trust, Inc., Series A, 7.63% (a)       | 4,171  | \$ 59,228 |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>        |        |           |
| Fannie Mae, Series O, 7.00% (a)(g)                | 10,000 | 18,500    |
| Freddie Mac, Series Z, 8.38% (a)(g)               | 31,930 | 47,257    |
|   |        | 65,757    |
| <b>Total Preferred Stocks 1.6%</b>                |        | 1,915,947 |

| Trust Preferreds                                   | Par (000)  |           |
|--|------------|-----------|
| <b>Diversified Financial Services 0.8%</b>         |            |           |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (g) | USD 33,110 | 774,855   |
| RBS Capital Funding Trust VII, 6.08%, 12/31/49 (g) | 20,000     | 273,400   |
| <b>Total Trust Preferreds 0.8%</b>                 |            | 1,048,255 |
| <b>Total Preferred Securities 2.8%</b>             |            | 3,426,769 |

| Warrants (l)   | Shares |             |
|--|--------|-------------|
| <b>Media 0.1%</b>  |        |             |
| Cumulus Media, Inc. (Expires 3/26/19)                          | 18,441 | 133,202     |
| <b>Software 0.0%</b>   |        |             |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17)        | 167    |             |
| HMH Holdings/EduMedia (Expires 3/09/17)                        | 3,476  |             |
| <b>Total Warrants 0.1%</b>                                     |        | 133,202     |
| <b>Total Long-Term Investments (Cost \$148,491,381) 123.2%</b> |        | 150,904,691 |

|  |         |         |
|--|---------|---------|
| <b>Short-Term Securities</b>   |         |         |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.11% (m)(n) | 840,816 | 840,816 |
| <b>Total Short-Term Securities (Cost \$840,816) 0.7%</b>               |         | 840,816 |

| Options Purchased   | Contracts |             |
|---|-----------|-------------|
| <b>Exchange-Traded Put Options 0.1%</b>                                     |           |             |
| SPDR S&P 500 ETF Trust:   |           |             |
| Strike Price USD 134.00, Expires 3/17/12                                    | 500       | 47,000      |
| Strike Price USD 136.00, Expires 3/17/12                                    | 85        | 13,430      |
| Strike Price USD 136.00, Expires 4/21/12                                    | 85        | 27,115      |
| <b>Total Options Purchased (Cost \$188,743) 0.1%</b>                        |           | 87,545      |
| <b>Total Investments Before Options Written (Cost \$149,520,940) 124.0%</b> |           | 151,833,052 |

| Options Written                           | Contracts | Value      |
|---|-----------|------------|
| <b>Exchange-Traded Put Options (0.0)%</b> |           |            |
|   | 500       | \$ (7,250) |

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SPDR S&P 500 ETF Trust, Strike Price USD 125.00,

Expires 3/17/12

**Total Options Written**

|   |                |
|---|----------------|
| <b>(Premiums Received \$36,987) (0.0)%</b>              | (7,250)        |
| <b>Total Investments, Net of Options Written 124.0%</b> | 151,825,802    |
| <b>Liabilities in Excess of Other Assets (24.0)%</b>    | (29,418,785)   |
| <b>Net Assets 100.0%</b>                                | \$ 122,407,017 |

- (a) Non-income producing security.
- (b) Restricted security as to resale. As of report date the Trust held 0.5% of its net assets, with a current value of \$554,962 in this security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Convertible security.
- (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 is as of report date.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                     | Value      | Unrealized<br>Appreciation |
|----------------------------------|------------|----------------------------|
| Bank of America Securities, Inc. | \$ 446,947 | \$ 3,385                   |
| Barclays Capital, Inc.           | \$ 136,175 | \$ 975                     |
| Goldman Sachs & Co., Inc.        | \$ 465,000 |                            |
| Morgan Stanley Co., Inc.         | \$ 712,974 | \$ 21,974                  |

- (j) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (k) Issuer filed for bankruptcy and/or is in default of interest payments.
- (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) Represents the current yield as of report date.
- (n) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--|--------------------------------------|-----------------|--|--------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 822,452                              | 18,364          | 840,816                                | \$ 298 |

Financial futures contracts sold as of February 29, 2012 were as follows:



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| <b>Contracts</b> | <b>Issue</b>         | <b>Exchange<br/>Chicago<br/>Mercantile</b> | <b>Expiration</b> | <b>Notional<br/>Value</b> | <b>Unrealized<br/>Depreciation</b> |
|------------------|----------------------|--|-------------------|---------------------------|------------------------------------|
| 38               | S&P 500 Index E-Mini |  | March 2012        | \$ 2,592,360              | \$ (67,084)                        |

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock High Income Shares (HIS)

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency Purchased |           | Currency Sold |           | Counterparty               | Settlement Date | Unrealized Depreciation |
|--------------------|-----------|---------------|-----------|----------------------------|-----------------|-------------------------|
| USD                | 1,163,487 | GBP           | 759,000   | UBS AG                     | 4/11/12         | \$ (43,653)             |
| USD                | 6,199,639 | EUR           | 4,826,500 | Citibank NA                | 4/18/12         | (231,869)               |
| USD                | 358,232   | EUR           | 275,000   | Royal Bank of Scotland Plc | 4/18/12         | (8,217)                 |
| <b>Total</b>       |           |               |           |                            |                 | \$ (283,739)            |

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs             | Level 1      | Level 2        | Level 3      | Total          |
|------------------------------|--------------|----------------|--------------|----------------|
| <b>Assets:</b>               |              |                |              |                |
| Investments:                 |              |                |              |                |
| Long-Term Investments:       |              |                |              |                |
| Common Stocks                | \$ 45,421    | \$ 554,692     | \$ 804,425   | \$ 1,404,538   |
| Corporate Bonds              |              | 120,436,117    | 1,702,667    | 122,138,784    |
| Floating Rate Loan Interests |              | 20,534,349     | 3,267,049    | 23,801,398     |
| Preferred Securities         | 1,363,893    | 2,062,876      |              | 3,426,769      |
| Warrants                     |              | 133,202        |              | 133,202        |
| Short-Term Securities        | 840,816      |                |              | 840,816        |
| <b>Total</b>                 | \$ 2,250,130 | \$ 143,721,236 | \$ 5,774,141 | \$ 151,745,507 |

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| Valuation Inputs                              | Level 1   | Level 2      | Level 3 | Total        |
|---|-----------|--------------|---------|--------------|
| Derivative Financial Instruments <sup>1</sup> |           |              |         |              |
| <b>Assets:</b>                                |           |              |         |              |
| Equity contracts                              | \$ 87,545 |              |         | \$ 87,545    |
| <b>Liabilities:</b>                           |           |              |         |              |
| Equity contracts                              | (74,334)  |              |         | (74,334)     |
| Foreign exchange contracts                    |           | \$ (283,739) |         | (283,739)    |
| <b>Total</b>                                  | \$ 13,211 | \$ (283,739) |         | \$ (270,528) |

<sup>1</sup> Derivative financial instruments are financial futures contracts, foreign currency exchange contracts and options. 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:

|   | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Securities | Warrants   | Total        |
|---|---------------|-----------------|------------------------------|-----------------|----------------------|------------|--------------|
| <b>Assets/Liabilities</b>                                       |               |                 |                              |                 |                      |            |              |
| Balance, as of August 31, 2011                                  | \$ 1,023,120  | \$ 1,804,070    | \$ 3,539,166                 | \$ 476          | \$ 137,173           | \$ 104,162 | \$ 6,608,167 |
| Accrued discounts/premiums                                      |               |                 | 29,563                       |                 |                      |            | 29,563       |
| Net realized gain (loss)  |               | 36,517          | 17,850                       | 910             | 161,380              |            | 216,657      |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | (247,041)     | (51,342)        | (299,314)                    | (476)           | (137,173)            | (2)        | (735,348)    |
| Purchases   | 28,345        | 20,922          | 184,164                      |                 |                      |            | 233,431      |
| Sales   |               | (107,500)       | (215,110)                    | (910)           | (161,380)            |            | (484,900)    |
| Transfers in <sup>3</sup>                                       | 1             |                 | 785,105                      |                 |                      |            | 785,106      |
| Transfers out <sup>3</sup>                                      |               |                 | (774,375)                    |                 |                      | (104,160)  | (878,535)    |
| <b>Balance, as of February 29, 2012</b>                         | \$ 804,425    | \$ 1,702,667    | \$ 3,267,049                 |                 |                      |            | \$ 5,774,141 |

<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 29, 2012 was \$(564,632).

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

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

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

| Common Stocks  | Shares | Value     |
|--|--------|-----------|
| <b>Auto Components 2.6%</b>  |        |           |
| Delphi Automotive Plc (a)  | 2,826  | \$ 90,429 |
| Delphi Automotive Plc (180-day lock)<br>(Acquired 11/17/11, cost \$332,803) (a)(b) | 35,107 | 1,095,341 |
|  |        | 1,185,770 |
| <b>Capital Markets 0.1%</b>  |        |           |
| E*Trade Financial Corp. (a)  | 4,900  | 47,187    |
| <b>Commercial Banks 0.2%</b>   |        |           |
| CIT Group, Inc. (a)  | 2,780  | 113,173   |
| <b>Diversified Telecommunication Services 0.2%</b>                                 |        |           |
| Level 3 Communications, Inc. (a)   | 3,000  | 72,930    |
| <b>Energy Equipment &amp; Services 0.1%</b>  |        |           |
| Transocean Ltd.  | 900    | 48,006    |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>                                      |        |           |
| Travelport Worldwide Ltd.  | 12,460 | 6,230     |
| <b>Media 0.8%</b>  |        |           |
| Charter Communications, Inc. (a)   | 5,800  | 367,778   |
| <b>Paper &amp; Forest Products 0.0%</b>  |        |           |
| Ainsworth Lumber Co. Ltd. (a)  | 2,234  | 3,522     |
| Ainsworth Lumber Co. Ltd. (a)(c)   | 2,507  | 3,953     |
|  |        | 7,475     |
| <b>Road &amp; Rail 0.2%</b>  |        |           |
| Dollar Thrifty Automotive Group, Inc. (a)  | 1,000  | 75,910    |
| <b>Software 0.0%</b>   |        |           |
| Bankruptcy Management Solutions, Inc.  | 91     | 2         |
| HMH Holdings/EduMedia  | 13,576 | 3,394     |
|  |        | 3,396     |
| <b>Total Common Stocks 4.2%</b>  |        | 1,927,855 |

| Corporate Bonds  | Par<br>(000) |         |
|--|--------------|---------|
| <b>Aerospace &amp; Defense 0.8%</b>  |              |         |
| Huntington Ingalls Industries, Inc., 6.88%, 3/15/18                              | USD 160      | 168,400 |
| Kratos Defense & Security Solutions, Inc.,<br>10.00%, 6/01/17                    | 200          | 215,500 |
|  |              | 383,900 |
| <b>Air Freight &amp; Logistics 0.5%</b>  |              |         |
| National Air Cargo Group, Inc.:  |              |         |
| Series 1, 12.38%, 9/02/15  | 106          | 109,984 |
| Series 2, 12.38%, 8/16/15  | 107          | 111,179 |
|  |              | 221,163 |
| <b>Airlines 1.6%</b>   |              |         |
| American Airlines Pass-Through Trust, Series 2011-2,<br>Class A, 8.63%, 10/15/21 | 197          | 208,820 |
| Continental Airlines, Inc.:  |              |         |
| 6.75%, 9/15/15 (c)   | 90           | 90,900  |
| Series 2010-1, Class B, 6.00%, 1/12/19   | 96           | 93,073  |
| United Air Lines, Inc., 12.75%, 7/15/12  | 246          | 254,113 |
| US Airways Pass-Through Trust, 10.88%, 10/22/14                                  | 110          | 110,000 |
|  |              | 756,906 |

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|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Corporate Bonds</b>                                  |              |           |
| <b>Auto Components 2.2%</b>                             |              |           |
| B-Corp Merger Sub, Inc., 8.25%, 6/01/19 (c)             | USD 35       | \$ 35,700 |
| Dana Holding Corp., 6.75%, 2/15/21                      | 180          | 194,850   |
| Delphi Corp., 6.13%, 5/15/21 (c)                        | 30           | 32,175    |
| Icahn Enterprises LP, 8.00%, 1/15/18                    | 650          | 689,000   |
| Stanadyne Corp., Series 1, 10.00%, 8/15/14              | 90           | 82,350    |
|   |              | 1,034,075 |
| <b>Beverages 0.4%</b>                                   |              |           |
| Cott Beverages, Inc., 8.13%, 9/01/18                    | 43           | 47,407    |
| Crown European Holdings SA, 7.13%, 8/15/18              | EUR 92       | 131,305   |
|   |              | 178,712   |
| <b>Biotechnology 0.1%</b>                               |              |           |
| QHP Royalty Sub LLC, 10.25%, 3/15/15 (c)                | USD 40       | 40,734    |
| <b>Building Products 0.6%</b>                           |              |           |
| Building Materials Corp. of America, 6.75%, 5/01/21 (c) | 200          | 217,500   |
| Momentive Performance Materials, Inc., 11.50%, 12/01/16 | 80           | 67,200    |
|   |              | 284,700   |
| <b>Capital Markets 1.1%</b>                             |              |           |
| American Capital Ltd., 7.96%, 12/31/13 (e)              | 130          | 132,410   |
| E*Trade Financial Corp.: 12.50%, 11/30/17               | 180          | 209,700   |
| Series A, 2.51%, 8/31/19 (f)(g)                         | 71           | 67,184    |
| KKR Group Finance Co., 6.38%, 9/29/20 (c)               | 110          | 117,064   |
|   |              | 526,358   |
| <b>Chemicals 4.2%</b>                                   |              |           |
| American Pacific Corp., 9.00%, 2/01/15                  | 140          | 136,500   |
| Ashland, Inc., 9.13%, 6/01/17                           | 70           | 78,575    |
| Basell Finance Co. BV, 8.10%, 3/15/27 (c)               | 85           | 97,325    |
| Celanese US Holdings LLC, 5.88%, 6/15/21                | 300          | 327,000   |
| Chemtura Corp., 7.88%, 9/01/18                          | 65           | 69,875    |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20              | 50           | 49,000    |
| Huntsman International LLC, 8.63%, 3/15/21              | 25           | 28,250    |
| Ineos Finance Plc, 8.38%, 2/15/19 (c)                   | 100          | 106,250   |
| Kinove German Bondco GmbH, 9.63%, 6/15/18 (c)           | 200          | 204,500   |
| Kraton Polymers LLC, 6.75%, 3/01/19                     | 20           | 20,400    |
| Lyondell Chemical Co., 11.00%, 5/01/18                  | 492          | 539,552   |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (c)       | 25           | 27,438    |
| Nexeo Solutions LLC, 8.38%, 3/01/18 (c)                 | 30           | 30,000    |
| PolyOne Corp., 7.38%, 9/15/20                           | 35           | 37,713    |
| Solutia, Inc., 7.88%, 3/15/20                           | 105          | 123,112   |
| TPC Group LLC, 8.25%, 10/01/17 (c)                      | 55           | 58,025    |
|   |              | 1,933,515 |
| <b>Commercial Banks 2.1%</b>                            |              |           |
| CIT Group, Inc. (c): 7.00%, 5/02/16                     | 435          | 435,544   |
| 7.00%, 5/02/17  | 450          | 450,562   |
| 5.50%, 2/15/19  | 100          | 102,125   |
|   |              | 988,231   |
| <b>Commercial Services &amp; Supplies 2.0%</b>          |              |           |
| ACCO Brands Corp., 10.63%, 3/15/15                      | 55           | 60,707    |
| ARAMARK Corp., 8.50%, 2/01/15                           | 4            | 4,105     |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (c)        | 92           | 91,194    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16             | 181          | 188,936   |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c)      | 7            | 6,650     |
| Iron Mountain, Inc., 7.75%, 10/01/19                    | 60           | 66,300    |
| Mobile Mini, Inc., 7.88%, 12/01/20                      | 60           | 63,000    |

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)

|   |     | Par<br>(000) |    | Value     |
|---|-----|--------------|----|-----------|
| <b>Corporate Bonds</b>                                    |     |              |    |           |
| <b>Commercial Services &amp; Supplies (concluded)</b>     |     |              |    |           |
| RSC Equipment Rental, Inc.:                               |     |              |    |           |
| 10.00%, 7/15/17 (c)                                       | USD | 100          | \$ | 116,000   |
| 8.25%, 2/01/21  |     | 148          |    | 156,880   |
| Verisure Holding AB, 8.75%, 9/01/18                       | EUR | 100          |    | 134,562   |
| West Corp., 8.63%, 10/01/18                               | USD | 25           |    | 27,438    |
|   |     |              |    | 915,772   |
| <b>Communications Equipment 0.4%</b>                      |     |              |    |           |
| Avaya, Inc., 9.75%, 11/01/15                              |     | 40           |    | 40,000    |
| Frontier Communications Corp., 6.25%, 1/15/13             |     | 150          |    | 154,875   |
|   |     |              |    | 194,875   |
| <b>Computers &amp; Peripherals 0.1%</b>                   |     |              |    |           |
| SanDisk Corp., 1.50%, 8/15/17 (g)                         |     | 40           |    | 47,900    |
| <b>Construction &amp; Engineering 0.1%</b>                |     |              |    |           |
| Boart Longyear Management Ltd., 7.00%,<br>4/01/21 (c)     |     | 35           |    | 36,838    |
| <b>Construction Materials 0.3%</b>                        |     |              |    |           |
| Xefin Lux SCA, 8.00%, 6/01/18                             | EUR | 100          |    | 133,896   |
| <b>Consumer Finance 2.3%</b>                              |     |              |    |           |
| Credit Acceptance Corp., 9.13%, 2/01/17                   | USD | 80           |    | 85,200    |
| Ford Motor Credit Co. LLC:                                |     |              |    |           |
| 7.00%, 4/15/15  |     | 500          |    | 555,000   |
| 12.00%, 5/15/15   |     | 120          |    | 150,893   |
| 6.63%, 8/15/17  |     | 230          |    | 260,628   |
|   |     |              |    | 1,051,721 |
| <b>Containers &amp; Packaging 1.2%</b>                    |     |              |    |           |
| Ardagh Packaging Finance Plc, 9.13%, 10/15/20 (c)         |     | 200          |    | 206,500   |
| Berry Plastics Corp.:                                     |     |              |    |           |
| 4.35%, 9/15/14 (d)  |     | 50           |    | 47,875    |
| 8.25%, 11/15/15   |     | 20           |    | 21,500    |
| 9.75%, 1/15/21  |     | 60           |    | 64,200    |
| Graphic Packaging International, Inc.,<br>7.88%, 10/01/18 |     | 60           |    | 66,000    |
| Sealed Air Corp., 8.38%, 9/15/21 (c)                      |     | 40           |    | 45,800    |
| Smurfit Kappa Acquisitions, 7.75%, 11/15/19               | EUR | 64           |    | 91,875    |
|   |     |              |    | 543,750   |
| <b>Diversified Consumer Services 0.2%</b>                 |     |              |    |           |
| ServiceMaster Co., 8.00%, 2/15/20 (c)                     | USD | 110          |    | 116,050   |
| <b>Diversified Financial Services 5.1%</b>                |     |              |    |           |
| Ally Financial, Inc.:                                     |     |              |    |           |
| 8.30%, 2/12/15  |     | 150          |    | 165,750   |
| 6.25%, 12/01/17   |     | 100          |    | 103,362   |
| 8.00%, 3/15/20  |     | 300          |    | 339,750   |
| 7.50%, 9/15/20  |     | 120          |    | 132,150   |
| 8.00%, 11/01/31   |     | 330          |    | 368,362   |
| 8.00%, 11/01/31   |     | 100          |    | 108,506   |
| Axcan Intermediate Holdings, Inc., 12.75%,<br>3/01/16     |     | 145          |    | 154,606   |
| DPL, Inc., 7.25%, 10/15/21                                |     | 130          |    | 148,200   |
| Leucadia National Corp.:                                  |     |              |    |           |
| 8.13%, 9/15/15  |     | 140          |    | 155,750   |

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|                                  |     |           |
|----------------------------------|-----|-----------|
| Reynolds Group Issuer, Inc. (c): |     |           |
| 8.75%, 10/15/16                  | 250 | 266,250   |
| 7.88%, 8/15/19                   | 100 | 109,500   |
| 9.88%, 8/15/19                   | 100 | 103,375   |
| 6.88%, 2/15/21                   | 65  | 68,900    |
| WGM Acquisition Corp. (c):       |     |           |
| 9.50%, 6/15/16                   | 20  | 22,100    |
| 11.50%, 10/01/18                 | 95  | 100,938   |
|                                  |     | 2,347,499 |

| Corporate Bonds                                       |             | Par<br>(000) |    | Value     |
|---|-------------|--------------|----|-----------|
| <b>Diversified Telecommunication Services</b>         | <b>3.4%</b> |              |    |           |
| Broadview Networks Holdings, Inc.,<br>11.38%, 9/01/12 |             | USD 195      | \$ | 175,012   |
| Level 3 Financing, Inc. (c):                          |             |              |    |           |
| 8.13%, 7/01/19  |             | 500          |    | 523,750   |
| 8.63%, 7/15/20  |             | 170          |    | 181,475   |
| Qwest Communications International, Inc.:             |             |              |    |           |
| 7.50%, 2/15/14  |             | 300          |    | 301,050   |
| 8.00%, 10/01/15                                       |             | 200          |    | 214,688   |
| Videotron Ltee, 5.00%, 7/15/22 (c)                    |             | 20           |    | 20,050    |
| Windstream Corp.:                                     |             |              |    |           |
| 8.13%, 8/01/13  |             | 25           |    | 26,813    |
| 7.88%, 11/01/17                                       |             | 100          |    | 112,750   |
|   |             |              |    | 1,555,588 |

|  |  |     |  |           |
|--|--|-----|--|-----------|
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b> |  |     |  |           |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            |  | 40  |  | 47,600    |
| <b>Energy Equipment &amp; Services 3.2%</b>                    |  |     |  |           |
| Antero Resources Finance Corp., 7.25%,<br>8/01/19 (c)          |  | 25  |  | 26,375    |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          |  | 25  |  | 26,313    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                       |  | 65  |  | 65,000    |
| Compagnie Générale de Géophysique-Veritas,<br>7.75%, 5/15/17   |  | 65  |  | 67,681    |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                    |  | 60  |  | 59,100    |
| Frac Tech Services LLC, 7.63%, 11/15/18 (c)                    |  | 295 |  | 314,912   |
| Key Energy Services, Inc., 6.75%, 3/01/21                      |  | 75  |  | 78,562    |
| MEG Energy Corp., 6.50%, 3/15/21 (c)                           |  | 165 |  | 176,550   |
| Oil States International, Inc., 6.50%, 6/01/19 (c)             |  | 50  |  | 53,750    |
| Peabody Energy Corp., 6.25%, 11/15/21 (c)                      |  | 440 |  | 460,900   |
| Transocean, Inc., 6.38%, 12/15/21                              |  | 125 |  | 147,519   |
|  |  |     |  | 1,476,662 |

|  |  |    |  |        |
|--|--|----|--|--------|
| <b>Food Products 0.2%</b>                    |  |    |  |        |
| Darling International, Inc., 8.50%, 12/15/18 |  | 40 |  | 45,000 |
| Post Holdings, Inc., 7.38%, 2/15/22 (c)      |  | 40 |  | 42,600 |
| Smithfield Foods, Inc., 10.00%, 7/15/14      |  | 6  |  | 7,035  |
|  |  |    |  | 94,635 |

|   |  |     |  |         |
|---|--|-----|--|---------|
| <b>Health Care Equipment &amp; Supplies 2.2%</b>                  |  |     |  |         |
| Biomet, Inc.:   |  |     |  |         |
| 10.00%, 10/15/17  |  | 35  |  | 38,019  |
| 10.38%, 10/15/17 (h)  |  | 250 |  | 272,188 |
| DJO Finance LLC:  |  |     |  |         |
| 10.88%, 11/15/14  |  | 385 |  | 391,737 |
| 7.75%, 4/15/18 (c)  |  | 20  |  | 17,200  |
| Fresenius Medical Care US Finance II, Inc., 5.88%,<br>1/31/22 (c) |  | 110 |  | 116,050 |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (c)    |  | 54  |  | 59,805  |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)                 |  | 80  |  | 92,400  |



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|  |     |     |           |
|--|-----|-----|-----------|
| Teleflex, Inc., 6.88%, 6/01/19                   |     | 50  | 53,875    |
|  |     |     | 1,041,274 |
| <b>Health Care Providers &amp; Services 5.5%</b> |     |     |           |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19    |     | 65  | 66,463    |
| Crown Newco 3 Plc, 7.00%, 2/15/18                | GBP | 100 | 156,704   |
| HCA, Inc.:                                       |     |     |           |
| 8.50%, 4/15/19                                   | USD | 25  | 28,000    |
| 6.50%, 2/15/20                                   |     | 335 | 359,287   |
| 7.88%, 2/15/20                                   |     | 115 | 126,787   |
| 7.25%, 9/15/20                                   |     | 410 | 446,900   |
| 5.88%, 3/15/22                                   |     | 45  | 46,125    |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Health Care Providers &amp; Services (concluded)</b>              |              |            |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (c)            | USD 160      | \$ 166,800 |
| IASIS Healthcare LLC, 8.38%, 5/15/19                                 | 125          | 119,375    |
| INC Research LLC, 11.50%, 7/15/19 (c)                                | 70           | 67,200     |
| inVentiv Health, Inc., 10.00%, 8/15/18 (c)                           | 20           | 18,200     |
| Omnicare, Inc., 7.75%, 6/01/20                                       | 160          | 178,200    |
| PSS World Medical, Inc., 6.38%, 3/01/22 (c)                          | 50           | 52,000     |
| Symbion, Inc., 8.00%, 6/15/16  | 55           | 53,075     |
| Tenet Healthcare Corp.:  |              |            |
| 10.00%, 5/01/18  | 279          | 325,035    |
| 6.25%, 11/01/18 (c)  | 55           | 58,644     |
| 8.88%, 7/01/19   | 245          | 279,300    |
|  |              | 2,548,095  |
| <b>Health Care Technology 1.1%</b>                                   |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (c)                                | 410          | 487,900    |
| <b>Hotels, Restaurants &amp; Leisure 3.2%</b>                        |              |            |
| Caesars Entertainment Operating Co., Inc.:                           |              |            |
| 11.25%, 6/01/17  | 25           | 27,375     |
| 10.00%, 12/15/18   | 235          | 181,537    |
| Caesars Operating Escrow LLC 8.50%, 2/15/20 (c)                      | 125          | 127,500    |
| Diamond Resorts Corp., 12.00%, 8/15/18                               | 200          | 211,000    |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (c)                            | 25           | 23,813     |
| MGM Resorts International:   |              |            |
| 13.00%, 11/15/13   | 25           | 29,188     |
| 10.38%, 5/15/14  | 465          | 528,937    |
| 4.25%, 4/15/15 (g)   | 95           | 101,888    |
| 11.13%, 11/15/17   | 185          | 210,437    |
| Travelport LLC:  |              |            |
| 5.11%, 9/01/14 (d)   | 20           | 10,250     |
| 9.88%, 9/01/14   | 5            | 2,863      |
| 6.58%, 12/01/16 (c)(h)   | 66           | 46,311     |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (a)(d)(i) | 25           | 1,501,099  |
| <b>Household Durables 1.5%</b>                                       |              |            |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                             | 190          | 207,100    |
| Jarden Corp., 8.00%, 5/01/16   | 40           | 43,750     |
| Ryland Group, Inc., 6.63%, 5/01/20                                   | 60           | 61,200     |
| Standard Pacific Corp.:  |              |            |
| 10.75%, 9/15/16  | 300          | 344,625    |
| 8.38%, 1/15/21   | 50           | 53,125     |
|  |              | 709,800    |
| <b>Household Products 0.4%</b>                                       |              |            |
| Spectrum Brands Holdings, Inc.:                                      |              |            |
| 9.50%, 6/15/18   | 60           | 68,400     |
| 9.50%, 6/15/18 (c)   | 100          | 114,000    |
|  |              | 182,400    |
| <b>Independent Power Producers &amp;<br/>Energy Traders 3.0%</b>     |              |            |
| The AES Corp., 7.38%, 7/01/21 (c)                                    | 110          | 125,400    |

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|   |     |         |
|---|-----|---------|
| Calpine Corp. (c):                            |     |         |
| 7.25%, 10/15/17                               | 30  | 31,800  |
| 7.50%, 2/15/21                                | 15  | 16,275  |
| 7.88%, 1/15/23                                | 45  | 49,050  |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 540 | 583,875 |
| Energy Future Intermediate Holding Co. LLC:   |     |         |
| 10.00%, 12/01/20                              | 158 | 171,627 |
| 11.75%, 3/01/22                               | 240 | 246,000 |

| Corporate Bonds   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Independent Power Producers &amp; Energy Traders (concluded)</b> |              |           |
| Laredo Petroleum, Inc., 9.50%, 2/15/19                              | USD 90       | \$ 99,225 |
| QEP Resources, Inc., 5.38%, 10/01/22                                | 56           | 56,560    |
|   |              | 1,379,812 |
| <b>Industrial Conglomerates 2.2%</b>                                |              |           |
| Sequa Corp. (c):  |              |           |
| 11.75%, 12/01/15  | 350          | 371,875   |
| 13.50%, 12/01/15  | 586          | 625,317   |
|   |              | 997,192   |
| <b>Insurance 0.4%</b>   |              |           |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (c)                       | 61           | 65,651    |
| Genworth Financial, Inc., 7.63%, 9/24/21                            | 70           | 72,627    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)                   | 40           | 35,700    |
|   |              | 173,978   |
| <b>IT Services 1.8%</b>   |              |           |
| Epicor Software Corp., 8.63%, 5/01/19 (c)                           | 87           | 90,045    |
| First Data Corp. (c):   |              |           |
| 7.38%, 6/15/19  | 35           | 35,394    |
| 8.88%, 8/15/20  | 90           | 97,425    |
| 8.25%, 1/15/21  | 105          | 101,587   |
| 12.63%, 1/15/21   | 236          | 247,800   |
| SunGard Data Systems, Inc.:   |              |           |
| 7.38%, 11/15/18   | 130          | 139,750   |
| 7.63%, 11/15/20   | 100          | 108,000   |
|   |              | 820,001   |
| <b>Machinery 1.2%</b>   |              |           |
| Navistar International Corp.:                                       |              |           |
| 3.00%, 10/15/14 (g)   | 128          | 144,160   |
| 8.25%, 11/01/21   | 45           | 49,219    |
| SPX Corp., 6.88%, 9/01/17   | 30           | 33,300    |
| UR Financing Escrow Corp. (c)(j):                                   |              |           |
| 5.75%, 7/15/18  | 43           | 44,182    |
| 7.38%, 5/15/20  | 60           | 61,575    |
| 7.63%, 4/15/22  | 216          | 223,560   |
|   |              | 555,996   |
| <b>Media 14.8%</b>  |              |           |
| Affinion Group, Inc., 7.88%, 12/15/18                               | 130          | 116,350   |
| AMC Networks, Inc., 7.75%, 7/15/21 (c)                              | 40           | 44,600    |
| CCH II LLC, 13.50%, 11/30/16  | 179          | 205,277   |
| CCO Holdings LLC:   |              |           |
| 7.38%, 6/01/20  | 40           | 44,000    |
| 6.50%, 4/30/21  | 378          | 401,625   |
| Checkout Holding Corp., 10.68%, 11/15/15 (c)(f)                     | 110          | 49,500    |
| Cinemark USA, Inc., 8.63%, 6/15/19                                  | 35           | 38,938    |
| Clear Channel Communications, Inc., 9.00%, 3/01/21                  | 95           | 87,400    |
| Clear Channel Worldwide Holdings, Inc.:                             |              |           |
| 9.25%, 12/15/17   | 246          | 269,370   |
| 7.63%, 3/15/20 (c)  | 175          | 175,000   |
| Series B, 9.25%, 12/15/17   | 966          | 1,062,600 |

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|  |     |         |
|--|-----|---------|
| Cox Enterprises, Inc.:                 |     |         |
| Loan Close 2, 12.00%, 8/15/18          | 128 | 130,350 |
| Loan Close 3, 12.00%, 8/15/18          | 147 | 149,028 |
| Shares Loan, 12.00%, 8/15/18           | 151 | 153,701 |
| CSC Holdings LLC, 8.50%, 4/15/14       | 80  | 88,800  |
| DISH DBS Corp.:                        |     |         |
| 7.00%, 10/01/13                        | 40  | 42,950  |
| 6.75%, 6/01/21                         | 130 | 144,300 |
| Gray Television, Inc., 10.50%, 6/29/15 | 250 | 264,062 |
| Harland Clarke Holdings Corp.:         |     |         |
| 6.00%, 5/15/15 (d)                     | 50  | 34,125  |
| 9.50%, 5/15/15                         | 45  | 35,438  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Media (concluded)</b>   |              |            |
| Intelsat Jackson Holdings SA, 11.25%, 6/15/16                                  | USD 240      | \$ 253,800 |
| Intelsat Luxembourg SA:  |              |            |
| 11.25%, 2/04/17  | 160          | 165,000    |
| 11.50%, 2/04/17 (h)  | 163          | 167,890    |
| Interactive Data Corp., 10.25%, 8/01/18  | 220          | 248,050    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                        | 55           | 62,975     |
| Kabel BW Holdings GmbH, 7.50%, 3/15/19   | EUR 112      | 159,663    |
| Kabel Deutschland GmbH, 6.50%, 6/29/18   | 100          | 141,224    |
| Lamar Media Corp., 5.88%, 2/01/22 (c)  | USD 35       | 36,531     |
| Live Nation Entertainment, Inc., 8.13%, 5/15/18 (c)                            | 125          | 132,969    |
| Musketeer GmbH, 9.50%, 3/15/21   | EUR 100      | 143,888    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (c)                         | USD 105      | 115,500    |
| The New York Times Co., 6.63%, 12/15/16  | 225          | 234,562    |
| Nielsen Finance LLC, 7.75%, 10/15/18   | 600          | 667,500    |
| ProQuest LLC, 9.00%, 10/15/18 (c)  | 85           | 75,225     |
| ProtoStar I Ltd., 18.00%, 10/15/12 (a)(c)(g)(i)                                | 414          | 207        |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC<br>Germany GmbH), 8.13%, 12/01/17 (c) | 400          | 434,000    |
| Ziggo Bond Co. BV, 8.00%, 5/15/18  | EUR 65       | 91,579     |
| Ziggo Finance BV, 6.13%, 11/15/17  | 120          | 165,871    |
|  |              | 6,833,848  |
| <b>Metals &amp; Mining 2.3%</b>  |              |            |
| Goldcorp, Inc., 2.00%, 8/01/14 (g)   | USD 85       | 107,738    |
| New World Resources NV, 7.88%, 5/01/18   | EUR 110      | 148,751    |
| Newmont Mining Corp., Series A, 1.25%,<br>7/15/14 (g)                          | USD 90       | 124,200    |
| Novelis, Inc., 8.75%, 12/15/20   | 545          | 607,675    |
| Taseko Mines Ltd., 7.75%, 4/15/19  | 70           | 67,200     |
|  |              | 1,055,564  |
| <b>Multiline Retail 2.2%</b>   |              |            |
| Dollar General Corp., 11.88%, 7/15/17 (d)                                      | 929          | 1,019,587  |
| <b>Oil, Gas &amp; Consumable Fuels 10.5%</b>                                   |              |            |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21                                  | 65           | 63,050     |
| Aurora USA Oil & Gas, Inc., 9.88%, 2/15/17 (c)                                 | 80           | 82,400     |
| Berry Petroleum Co., 8.25%, 11/01/16   | 80           | 83,400     |
| Bill Barrett Corp., 9.88%, 7/15/16   | 5            | 5,525      |
| BreitBurn Energy Partners LP, 7.88%, 4/15/22 (c)                               | 40           | 41,900     |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18                                       | 20           | 20,800     |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (c)                        | 45           | 46,575     |
| Chesapeake Oilfield Operating LLC, 6.63%,<br>11/15/19 (c)                      | 10           | 10,200     |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (c)                                  | 45           | 48,150     |
| Concho Resources, Inc., 7.00%, 1/15/21   | 70           | 78,750     |
| Consol Energy, Inc., 8.25%, 4/01/20  | 330          | 359,700    |
| Continental Resources, Inc., 7.13%, 4/01/21                                    | 60           | 66,600     |
| Copano Energy LLC, 7.13%, 4/01/21  | 55           | 58,300     |
| Crosstex Energy LP, 8.88%, 2/15/18   | 30           | 32,550     |

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|  |     |         |
|--|-----|---------|
| Denbury Resources, Inc.:                     |     |         |
| 8.25%, 2/15/20                               | 109 | 124,260 |
| 6.38%, 8/15/21                               | 60  | 66,150  |
| Energy XXI Gulf Coast, Inc.:                 |     |         |
| 9.25%, 12/15/17                              | 90  | 99,675  |
| 7.75%, 6/15/19                               | 150 | 158,250 |
| EV Energy Partners LP, 8.00%, 4/15/19 (c)    | 25  | 26,250  |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (c)      | 125 | 136,250 |
| Holly Energy Partners LP, 6.50%, 3/01/20 (c) | 25  | 25,531  |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)  | 55  | 58,850  |

| Corporate Bonds   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>            |              |           |
| Linn Energy LLC:  |              |           |
| 6.50%, 5/15/19 (c)  | USD 15       | \$ 15,300 |
| 6.25%, 11/01/19 (c)(j)  | 345          | 344,569   |
| 8.63%, 4/15/20  | 40           | 44,400    |
| 7.75%, 2/01/21  | 75           | 80,625    |
| MarkWest Energy Partners LP, 6.75%, 11/01/20                  | 25           | 27,313    |
| Newfield Exploration Co., 6.88%, 2/01/20                      | 160          | 172,800   |
| Niska Gas Storage US LLC, 8.88%, 3/15/18                      | 95           | 91,200    |
| Oasis Petroleum, Inc.:  |              |           |
| 7.25%, 2/01/19  | 55           | 58,300    |
| 6.50%, 11/01/21   | 50           | 51,500    |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (c)    | 900          | 938,250   |
| PBF Holding Co. LLC, 8.25%, 2/15/20 (c)                       | 55           | 55,000    |
| PetroBakken Energy Ltd., 8.63%, 2/01/20 (c)                   | 145          | 154,062   |
| Petrohawk Energy Corp.:                                       |              |           |
| 10.50%, 8/01/14   | 65           | 72,231    |
| 7.88%, 6/01/15  | 15           | 15,844    |
| 7.25%, 8/15/18  | 55           | 62,906    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (c)               | 95           | 99,750    |
| Pioneer Natural Resources Co.:                                |              |           |
| 6.88%, 5/01/18  | 75           | 88,100    |
| 7.50%, 1/15/20  | 25           | 30,894    |
| Plains Exploration & Production Co.:                          |              |           |
| 6.63%, 5/01/21  | 130          | 140,400   |
| 6.75%, 2/01/22  | 90           | 98,550    |
| Precision Drilling Corp., 6.50%, 12/15/21 (c)                 | 45           | 48,038    |
| Range Resources Corp.:  |              |           |
| 8.00%, 5/15/19  | 20           | 22,300    |
| 5.75%, 6/01/21  | 160          | 171,200   |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (c)                         | 65           | 64,870    |
| Samson Investment Co., 9.75%, 2/15/20 (c)                     | 105          | 110,513   |
| SandRidge Energy, Inc., 7.50%, 3/15/21 (c)                    | 80           | 80,800    |
| SM Energy Co., 6.63%, 2/15/19 (c)                             | 20           | 21,450    |
|   |              | 4,854,281 |
| <b>Paper &amp; Forest Products 2.3%</b>                       |              |           |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (c)(h)             | 22           | 15,917    |
| Boise Paper Holdings LLC:                                     |              |           |
| 9.00%, 11/01/17   | 80           | 88,000    |
| 8.00%, 4/01/20  | 30           | 32,925    |
| Clearwater Paper Corp.:                                       |              |           |
| 10.63%, 6/15/16   | 70           | 79,537    |
| 7.13%, 11/01/18   | 95           | 101,175   |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (c)                       | 285          | 315,731   |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (c) | 55           | 56,513    |
| NewPage Corp., 11.38%, 12/31/14 (a)(i)                        | 365          | 219,912   |

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|  |     |           |
|--|-----|-----------|
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)                | 25  | 23,438    |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                    | 135 | 137,700   |
|  |     | 1,070,848 |
| <b>Pharmaceuticals 0.7%</b>                                  |     |           |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (c)                   | 70  | 76,562    |
| Valeant Pharmaceuticals International, 6.50%,<br>7/15/16 (c) | 225 | 229,500   |
|  |     | 306,062   |
| <b>Professional Services 0.6%</b>                            |     |           |
| FTI Consulting, Inc.:  |     |           |
| 7.75%, 10/01/16  | 100 | 104,125   |
| 6.75%, 10/01/20  | 150 | 162,188   |
|  |     | 266,313   |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                   |              |            |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>        |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                        | USD 250      | \$ 255,625 |
| The Rouse Co. LP, 6.75%, 11/09/15                        | 85           | 88,931     |
|  |              | 344,556    |
| <b>Real Estate Management &amp; Development 2.0%</b>     |              |            |
| CB Richard Ellis Services, Inc., 6.63%, 10/15/20         | 55           | 58,437     |
| Realogy Corp.:   |              |            |
| 11.50%, 4/15/17 (k)                                      | 60           | 54,900     |
| 12.00%, 4/15/17 (k)                                      | 15           | 13,800     |
| 7.88%, 2/15/19 (c)                                       | 400          | 388,000    |
| 7.63%, 1/15/20 (c)                                       | 120          | 123,900    |
| 9.00%, 1/15/20 (c)                                       | 60           | 60,300     |
| Shea Homes LP, 8.63%, 5/15/19 (c)                        | 205          | 207,050    |
|  |              | 906,387    |
| <b>Road &amp; Rail 1.3%</b>                              |              |            |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19               | 25           | 26,063     |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (c)     | 80           | 80,800     |
| The Hertz Corp.:   |              |            |
| 7.50%, 10/15/18  | 150          | 161,812    |
| 6.75%, 4/15/19   | 60           | 62,850     |
| 6.75%, 4/15/19 (c)                                       | 50           | 52,375     |
| 7.38%, 1/15/21   | 195          | 211,087    |
|  |              | 594,987    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b> |              |            |
| Spansion LLC, 7.88%, 11/15/17                            | 50           | 49,125     |
| <b>Software 0.2%</b>                                     |              |            |
| Sophia LP, 9.75%, 1/15/19 (c)                            | 78           | 83,850     |
| <b>Specialty Retail 2.5%</b>                             |              |            |
| Asbury Automotive Group, Inc.:                           |              |            |
| 7.63%, 3/15/17   | 60           | 61,800     |
| 8.38%, 11/15/20  | 60           | 64,350     |
| House of Fraser Funding Plc, 8.88%, 8/15/18              | GBP 100      | 142,386    |
| Limited Brands, Inc.:                                    |              |            |
| 8.50%, 6/15/19   | USD 140      | 167,300    |
| 5.63%, 2/15/22   | 25           | 25,750     |
| Phones4u Finance Plc, 9.50%, 4/01/18                     | GBP 100      | 139,601    |
| QVC, Inc. (c):   |              |            |
| 7.13%, 4/15/17   | USD 40       | 43,000     |
| 7.50%, 10/01/19  | 100          | 111,000    |
| 7.38%, 10/15/20  | 55           | 60,913     |
| Sally Holdings LLC, 6.88%, 11/15/19 (c)                  | 90           | 96,750     |
| Sonic Automotive, Inc., 9.00%, 3/15/18                   | 65           | 70,687     |
| Toys R US-Delaware, Inc., 7.38%, 9/01/16 (c)             | 25           | 25,688     |
| United Auto Group, Inc., 7.75%, 12/15/16                 | 165          | 172,014    |
|  |              | 1,181,239  |
| <b>Transportation Infrastructure 0.3%</b>                |              |            |
| Aguila 3 SA, 7.88%, 1/31/18                              | 150          | 157,688    |
| <b>Wireless Telecommunication Services 5.3%</b>          |              |            |
| Cricket Communications, Inc., 7.75%, 5/15/16             | 250          | 266,250    |
| Digicel Group Ltd. (c):                                  |              |            |



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|   |     |     |         |
|---|-----|-----|---------|
| 9.13%, 1/15/15                                |     | 294 | 299,880 |
| 8.25%, 9/01/17                                |     | 330 | 349,800 |
| iPCS, Inc., 2.67%, 5/01/13 (d)                |     | 140 | 134,750 |
| Matterhorn Mobile Holdings SA, 8.25%, 2/15/20 | EUR | 100 | 137,227 |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20      | USD | 150 | 154,500 |
| NII Capital Corp., 7.63%, 4/01/21             |     | 60  | 61,350  |
| Sprint Capital Corp., 6.88%, 11/15/28 (j)     |     | 330 | 257,400 |

| Corporate Bonds  |               | Par<br>(000) | Value      |
|--|---------------|--------------|------------|
| <b>Wireless Telecommunication Services (concluded)</b> |               |              |            |
| Sprint Nextel Corp. (c):                               |               |              |            |
| 9.00%, 11/15/18  | USD           | 400          | \$ 446,000 |
| 7.00%, 3/01/20   |               | 330          | 335,362    |
|  |               |              | 2,442,519  |
| <b>Total Corporate Bonds</b>                           | <b>100.5%</b> |              | 46,475,481 |

**Floating Rate Loan Interests (d)**

|  |  |     |         |
|--|--|-----|---------|
| <b>Airlines 0.3%</b>   |  |     |         |
| Delta Air Lines, Inc., Credit New Term Loan B,<br>5.50%, 4/20/17                       |  |     |         |
|  |  | 122 | 118,932 |
| <b>Auto Components 0.2%</b>  |  |     |         |
| Schaeffler AG, Term Loan C2, 5.25%, 1/27/17  |  |     |         |
|  |  | 90  | 90,263  |
| <b>Building Products 0.0%</b>  |  |     |         |
| Goodman Global, Inc., Term Loan (Second Lien),<br>9.00%, 10/30/17                      |  |     |         |
|  |  | 16  | 16,158  |
| <b>Capital Markets 0.4%</b>  |  |     |         |
| Nuveen Investments, Inc., Incremental Term Loan<br>(First Lien):                       |  |     |         |
| 7.25%, 5/13/17   |  |     |         |
|  |  | 110 | 110,770 |
| 7.25%, 3/14/19   |  |     |         |
|  |  | 70  | 70,613  |
|  |  |     | 181,383 |
| <b>Commercial Services &amp; Supplies 0.8%</b>   |  |     |         |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16                           |  |     |         |
|  |  | 110 | 109,837 |
| Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16                                     |  |     |         |
|  |  | 100 | 100,107 |
| Volume Services America, Inc. (FKA Centerplate),<br>Term Loan B, 10.50 10.75%, 9/16/16 |  |     |         |
|  |  | 163 | 163,617 |
|  |  |     | 373,561 |
| <b>Communications Equipment 0.1%</b>   |  |     |         |
| Avaya, Inc., Term Loan B1, 3.24%, 10/24/14   |  |     |         |
|  |  | 30  | 29,354  |
| <b>Construction &amp; Engineering 0.5%</b>   |  |     |         |
| Safeway Services LLC, Mezzanine Loan,<br>15.63%, 12/16/17                              |  |     |         |
|  |  | 250 | 250,000 |
| <b>Consumer Finance 1.6%</b>   |  |     |         |
| Springleaf Financial Funding Co. (FKA AGFS<br>Funding Co.), Term Loan, 5.50%, 5/10/17  |  |     |         |
|  |  | 840 | 765,752 |
| <b>Diversified Consumer Services 0.0%</b>  |  |     |         |
| ServiceMaster Co.:   |  |     |         |
| Delayed Draw Term Loan, 2.75%, 7/24/14   |  |     |         |
|  |  | 1   | 1,335   |
| Term Loan, 2.77% 3.03%, 7/24/14  |  |     |         |
|  |  | 14  | 13,407  |
|  |  |     | 14,742  |
| <b>Diversified Telecommunication Services 0.5%</b>                                     |  |     |         |
| Level 3 Financing, Inc.:   |  |     |         |
| Term Loan B, 5.75%, 8/31/18  |  |     |         |
|  |  | 150 | 151,032 |
| Tranche A Term Loan, 2.50% 2.83%, 3/13/14  |  |     |         |
|  |  | 75  | 73,762  |
|  |  |     | 224,794 |
| <b>Electronic Equipment, Instruments &amp;<br/>Components 0.1%</b>                     |  |     |         |
| CDW LLC (FKA CDW Corp.), Term Loan, 4.00%,<br>7/14/17                                  |  |     |         |
|  |  | 50  | 48,866  |

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|  |             |     |           |
|--|-------------|-----|-----------|
| <b>Energy Equipment &amp; Services</b>                               | <b>2.2%</b> |     |           |
| CCS Corp., Incremental Term Loan, 5.56%, 10/17/14                    |             | 45  | 45,045    |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan,<br>9.25%, 8/04/16 |             | 335 | 332,946   |
| Dynegy Power LLC, Gas Co. Term Loan,<br>9.25%, 8/04/16               |             | 613 | 632,100   |
|  |             |     | 1,010,091 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Floating Rate Loan Interests (d)</b>   |              |           |
| <b>Food &amp; Staples Retailing 0.1%</b>  |              |           |
| US Foodservice, Inc., Term Loan B, 2.74%, 7/03/14   | USD 30       | \$ 28,950 |
| <b>Food Products 0.3%</b>   |              |           |
| Advance Pierre Foods, Inc., Term Loan (Second Lien),<br>11.25%, 9/29/17   | 135          | 135,112   |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>  |              |           |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19  | 130          | 129,919   |
| <b>Health Care Providers &amp; Services 0.8%</b>  |              |           |
| Harden Healthcare LLC:  |              |           |
| Term Loan, 8.50%, 3/02/15   | 70           | 68,282    |
| Tranche A Additional Term Loan, 7.75%, 3/02/15  | 82           | 80,698    |
| Health Management Associates, Inc., Term Loan B,<br>4.50%, 11/16/18   | 65           | 64,577    |
| inVentiv Health, Inc., Combined Term Loan,<br>6.50%, 8/04/16  | 177          | 169,870   |
|   |              | 383,427   |
| <b>Hotels, Restaurants &amp; Leisure 1.4%</b>   |              |           |
| Caesars Entertainment Operating Co., Inc.:  |              |           |
| Term Loan B-3, 3.25%, 1/28/15   | 166          | 155,694   |
| Term Loan B-3, 9.50%, 1/28/15   | 128          | 119,539   |
| Term Loan B-3, 9.50%, 1/28/15   | 54           | 50,446    |
| Term Loan B-4, 9.50%, 10/31/16  | 85           | 87,434    |
| OSI Restaurant Partners LLC:  |              |           |
| Revolver, 2.56 2.79%, 6/14/13   | 2            | 1,751     |
| Term Loan B, 2.56%, 6/14/14   | 18           | 17,765    |
| Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16   | 175          | 157,792   |
| Travelport LLC (FKA Travelport, Inc.):  |              |           |
| Extended Tranche A Term Loan, 6.54%, 9/28/12  | 30           | 14,363    |
| Extended Tranche B Term Loan,<br>14.04%, 12/01/16   | 94           | 21,138    |
|   |              | 625,922   |
| <b>Independent Power Producers &amp;<br/>Energy Traders 0.1%</b>  |              |           |
| Texas Competitive Electric Holdings Co. LLC (FKA TXU),<br>Extended Term Loan, 4.76%, 10/10/17                     | 126          | 70,205    |
| <b>Industrial Conglomerates 0.2%</b>  |              |           |
| Sequa Corp., Incremental Term Loan,<br>6.25%, 12/03/14  | 75           | 75,250    |
| <b>IT Services 0.3%</b>   |              |           |
| First Data Corp., Extended Term Loan B,<br>4.24%, 3/23/18   | 130          | 116,654   |
| <b>Leisure Equipment &amp; Products 0.2%</b>  |              |           |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/20/13   | 100          | 101,219   |
| <b>Media 5.4%</b>   |              |           |
| Cengage Learning Acquisitions, Inc. (FKA Thomson<br>Learning), Tranche 1 Incremental Term Loan,<br>7.50%, 7/03/14 | 301          | 289,089   |
| Cequel Communications LLC, Term Loan B,<br>4.00%, 2/11/19   | 100          | 98,977    |
| Clear Channel Communication:  |              |           |

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|   |       |           |
|---|-------|-----------|
| Term Loan B, 3.89%, 1/28/16   | 365   | 299,553   |
| Term Loan C, 3.89%, 1/28/16   | 63    | 49,612    |
| HMH Publishing Co. Ltd., Tranche A, Term Loan, 6.51%, 6/12/14   | 145   | 89,354    |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 4/02/18 | 1,241 | 1,238,516 |

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Floating Rate Loan Interests (d)</b>                                       |              |           |
| <b>Media (concluded)</b>  |              |           |
| Interactive Data Corp., Term Loan B, 4.50%, 2/12/18                           | USD 10       | \$ 9,978  |
| Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13                            | 375          | 385,781   |
| Univision Communications, Inc., Extended First Lien Term Loan, 4.52%, 3/31/17 | 55           | 51,076    |
|   |              | 2,511,936 |

|  |     |         |
|--|-----|---------|
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>            |     |         |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | 276 | 277,727 |

|   |     |         |
|---|-----|---------|
| <b>Paper &amp; Forest Products 0.5%</b>                               |     |         |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13                          | 100 | 100,750 |
| Verso Paper Finance Holdings LLC, Term Loan, 6.79% 7.54%, 2/01/13 (h) | 227 | 113,626 |
|   |     | 214,376 |

|  |    |        |
|--|----|--------|
| <b>Pharmaceuticals 0.1%</b>  |    |        |
| Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18 | 65 | 65,569 |

|  |     |         |
|--|-----|---------|
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>              |     |         |
| iStar Financial, Inc., Term Loan (Second Lien), 5.00%, 6/28/13 | 281 | 279,938 |

|  |     |         |
|--|-----|---------|
| <b>Real Estate Management &amp; Development 0.3%</b> |     |         |
| Realogy Corp.:                                       |     |         |
| Extended Letter of Credit Loan, 4.53%, 10/10/16      | 17  | 16,147  |
| Extended Term Loan, 4.77%, 10/10/16                  | 123 | 113,813 |
|  |     | 129,960 |

|  |    |       |
|--|----|-------|
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |    |       |
| NXP BV, Incremental Term Loan A-2, 5.50%, 3/03/17        | 10 | 9,925 |

|   |    |        |
|---|----|--------|
| <b>Software 0.2%</b>                            |    |        |
| Infor Enterprise Solutions Holdings, Inc.:      |    |        |
| Extended Delayed Draw Term Loan, 6.29%, 7/28/15 | 26 | 25,430 |
| Extended Initial Term Loan, 6.29%, 7/28/15      | 49 | 47,883 |
|   |    | 73,313 |

|   |    |        |
|---|----|--------|
| <b>Specialty Retail 0.2%</b>                            |    |        |
| Claire's Stores, Inc., Term Loan B, 2.99 3.30%, 5/29/14 | 87 | 82,675 |

|  |     |         |
|--|-----|---------|
| <b>Wireless Telecommunication Services 1.2%</b>          |     |         |
| Crown Castle International Corp., Term B, 4.00%, 1/25/19 |     |         |
|  | 40  | 39,818  |
| Vodafone Americas Finance 2, Inc.:                       |     |         |
| Initial Loan, 6.88%, 8/11/15                             | 277 | 276,882 |
| Term Loan B, 6.25%, 7/11/16 (h)                          | 258 | 257,168 |
|  |     | 573,868 |

|   |  |           |
|---|--|-----------|
| <b>Total Floating Rate Loan Interests 19.5%</b> |  | 9,009,841 |
|---|--|-----------|

Preferred Securities

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**Capital Trusts**

**Insurance 0.2%**

|   |     |        |
|---|-----|--------|
| Genworth Financial, Inc., 6.15%, 11/15/66 (h) | 145 | 99,506 |
|---|-----|--------|

**Diversified Financial Services 0.2%**

|                                       |    |        |
|---------------------------------------|----|--------|
| Range Resources Corp., 5.00%, 8/15/22 | 74 | 74,740 |
|---------------------------------------|----|--------|

|                                  |  |         |
|----------------------------------|--|---------|
| <b>Total Capital Trusts 0.4%</b> |  | 174,246 |
|----------------------------------|--|---------|

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## Schedule of Investments (continued)

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

| Preferred Stocks   | Shares               | Value         |
|--|----------------------|---------------|
| <b>Auto Components 0.5%</b>  |                      |               |
| Dana Holding Corp., 4.00% (c)  | 1,800                | \$ 242,325    |
| <b>Diversified Financial Services 1.0%</b>   |                      |               |
| Ally Financial, Inc., 7.00% (c)  | 500                  | 433,844       |
| <b>Total Preferred Stocks 1.5%</b>   |                      | 676,169       |
|  | <b>Par<br/>(000)</b> |               |
| <b>Trust Preferreds</b>  |                      |               |
| <b>Diversified Financial Services 0.8%</b>   |                      |               |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40   | USD 11,760           | 275,222       |
| RBS Capital Funding Trust VII, 6.08%, 12/31/49   | 8,000                | 109,360       |
| <b>Total Trust Preferreds 0.8%</b>   |                      | 384,582       |
| <b>Total Preferred Securities 2.7%</b>   |                      | 1,234,997     |
|  | <b>Shares</b>        |               |
| <b>Warrants (l)</b>  |                      |               |
| <b>Diversified Telecommunication Services 0.0%</b>   |                      |               |
| NEON Communications, Inc. (Expires 12/02/12)   | 53,622               | 1             |
| <b>Media 0.1%</b>  |                      |               |
| Cumulus Media, Inc. (Expires 3/26/19)  | 6,182                | 44,657        |
| <b>Software 0.0%</b>   |                      |               |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)   | 61                   |               |
| HMH Holdings/EduMedia (Expires 3/09/17)  | 1,184                |               |
| <b>Total Warrants 0.1%</b>   |                      | 44,658        |
| <b>Total Long-Term Investments<br/>(Cost \$56,179,302) 127.0%</b>  |                      | 58,692,832    |
| <b>Short-Term Securities</b>   |                      |               |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.11% (m)(n)                                      | 980,802              | 980,802       |
| <b>Total Short-Term Securities<br/>(Cost \$980,802) 2.1%</b>   |                      | 980,802       |
|  | <b>Contracts</b>     |               |
| <b>Options Purchased</b>   |                      |               |
| <b>Over-the-Counter Call Options 0.0%</b>  |                      |               |
| Marsico Parent Superholdco LLC, Strike Price<br>USD 942.86, Expires 12/14/19,<br>Broker Goldman Sachs Bank USA | 3                    |               |
| <b>Total Options Purchased<br/>(Cost \$2,933) 0.0%</b>   |                      |               |
| <b>Total Investments (Cost \$57,163,037) 129.1%</b>  |                      | 59,673,634    |
| <b>Liabilities in Excess of Other Assets (29.1)%</b>   |                      | (13,434,085)  |
| <b>Net Assets 100.0%</b>   |                      | \$ 46,239,549 |

(a) Non-income producing security.

(b) Restricted security as to resale. As of report date the Trust held 2.6% of its net assets with a current value of \$1,095,341 in this security.

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- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Variable rate security. Rate shown is as of report date.
- (e) 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.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Convertible security.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Issuer filed for bankruptcy and/or is in default of interest payments.
- (j) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty             | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------------|------------|--|
| Bank of America NA       | \$ 257,400 | \$ 2,075                                     |
| JPMorgan Chase Bank      | \$ 344,569 | \$ (331)                                     |
| Morgan Stanley Co., Inc. | \$ 329,317 | \$ 10,318                                    |

- (k) 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.
- (l) Warrants entitle the Trust to purchase a predetermined number of 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 1940 Act, as amended, were as follows:

| Affiliate   | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|---|--------------------------------------|-----------------|--|--------|
| BlackRock Liquidity<br>Funds, TempFund<br>Institutional Class | 421,345                              | 559,457         | 980,802                                | \$ 215 |

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

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty        | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|---------------------|--------------------|--|
| EUR                   | 216,000 USD      | 288,187 UBS AG      | 3/05/12            | \$ (410)                                     |
| USD                   | 1,211,203 EUR    | 915,000 Citibank NA | 4/11/12            | (8,050)                                      |
| USD                   | 288,230 EUR      | 216,000 UBS AG      | 4/11/12            | 407  |
| USD                   | 437,178 GBP      | 279,000 Citibank NA | 4/11/12            | (6,557)                                      |
| <b>Total</b>          |                  |                     |                    | <b>\$ (14,610)</b>                           |

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Schedule of Investments (continued)

BlackRock High Yield Trust (BHY)

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

| Issuer                      | Pay Fixed Rate | Counterparty           | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|-----------------------------|----------------|------------------------|-----------------|-----------------------|--|
| MGM Resorts International   | 5.00%          | Deutsche Bank AG       | 6/20/15         | \$ 20                 | \$ (1,113)                             |
| MGM Resorts International   | 5.00%          | Deutsche Bank AG       | 6/20/15         | \$ 15                 | (977)                                  |
| MGM Resorts International   | 5.00%          | Deutsche Bank AG       | 6/20/15         | \$ 30                 | (1,568)                                |
| MGM Resorts International   | 5.00%          | Deutsche Bank AG       | 6/20/15         | \$ 15                 | (425)                                  |
| MGM Resorts International   | 5.00%          | Deutsche Bank AG       | 6/20/15         | \$ 15                 | (536)                                  |
| Hovnanian Enterprises, Inc. | 5.00%          | JPMorgan Chase & Co.   | 12/20/15        | \$ 125                | 16,817                                 |
| The New York Times Co.      | 1.00%          | Barclays Capital, Inc. | 12/20/16        | \$ 225                | 48                                     |
| Republic of Hungary         | 1.00%          | Deutsche Bank AG       | 12/20/15        | \$ 50                 | 2,662                                  |
| Israel (State of)           | 1.00%          | Deutsche Bank AG       | 3/20/17         | \$ 35                 | (364)                                  |
| Israel Government Bond      | 1.00%          | Deutsche Bank AG       | 3/20/17         | \$ 100                | (1,109)                                |
| <b>Total</b>                |                |                        |                 |                       | \$ 13,435                              |

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

| Issuer              | Receive Fixed Rate | Counterparty                       | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|---------------------|--------------------|------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| Air Lease Corp.     | 5.00%              | Goldman Sachs & Co.                | 2/14/13         | Not Rated                         | \$ 100                             | \$ 138                                 |
| CIT Group, Inc.     | 5.00%              | Deutsche Bank AG                   | 9/20/15         | BB                                | \$ 500                             | 33,393                                 |
| ARAMARK Corp.       | 5.00%              | Credit Suisse Securities (USA) LLC | 9/20/16         | B                                 | \$ 50                              | 4,050                                  |
| ARAMARK Corp.       | 5.00%              | Goldman Sachs & Co.                | 9/20/16         | B                                 | \$ 50                              | 3,865                                  |
| ARAMARK Corp.       | 5.00%              | Deutsche Bank AG                   | 3/20/17         | B                                 | \$ 35                              | 754                                    |
| Bausch & Lomb, Inc. | 5.00%              | Credit Suisse Securities (USA) LLC | 3/20/17         | B                                 | \$ 20                              | 1,001                                  |
| Bausch & Lomb, Inc. | 5.00%              | Goldman Sachs & Co.                | 3/20/17         | B                                 | \$ 35                              | 134                                    |
| Bausch & Lomb, Inc. | 5.00%              | Goldman Sachs & Co.                | 3/20/17         | B                                 | \$ 15                              | 684                                    |

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|                                  |       |                  |         |    |        |        |
|----------------------------------|-------|------------------|---------|----|--------|--------|
| Crown Castle International Corp. | 7.25% | Deutsche Bank AG | 3/20/17 | B  | \$ 80  | 1,735  |
| CCO Holdings LLC                 | 8.00% | Deutsche Bank AG | 9/20/17 | BB | \$ 280 | (15)   |
| <b>Total</b>                     |       |                  |         |    | \$     | 45,739 |

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

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

Credit default swaps on traded indexes sold protection outstanding as of February 29, 2012 were as follows:

| Issuer   | Receive Fixed Rate | Counterparty                       | Expiration Date | Credit Rating <sup>3</sup> | Notional Amount (000) <sup>4</sup> | Unrealized Appreciation |
|--|--------------------|------------------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Series 17 | 5.00%              | Credit Suisse Securities (USA) LLC | 12/20/16        | B+                         | \$ 1,940                           | \$ 126,645              |

<sup>3</sup> Using S&P's rating of the underlying securities.

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

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Trust's most recent financial statements as contained in its annual report.

The following tables summarize the inputs used as of February 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------|---------|---------|---------|-------|
|------------------|---------|---------|---------|-------|

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**Assets:**

Investments:

Long-Term Investments:

|                              |    |           |    |            |    |           |    |            |
|------------------------------|----|-----------|----|------------|----|-----------|----|------------|
| Common Stocks                | \$ | 822,888   | \$ | 1,095,341  | \$ | 9,626     | \$ | 1,927,855  |
| Corporate Bonds              |    |           |    | 45,821,032 |    | 654,449   |    | 46,475,481 |
| Floating Rate Loan Interests |    |           |    | 7,560,603  |    | 1,449,238 |    | 9,009,841  |
| Preferred Securities         |    | 384,582   |    | 850,415    |    |           |    | 1,234,997  |
| Warrants                     |    |           |    | 44,657     |    | 1         |    | 44,658     |
| Short-Term Securities        |    | 980,802   |    |            |    |           |    | 980,802    |
| <b>Total</b>                 | \$ | 2,188,272 | \$ | 55,372,048 | \$ | 2,113,314 | \$ | 59,673,634 |

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock High Yield Trust (BHY)

| Valuation Inputs                              | Level 1 | Level 2    | Level 3   | Total      |
|---|---------|------------|-----------|------------|
| Derivative Financial Instruments <sup>1</sup> |         |            |           |            |
| <b>Assets:</b>                                |         |            |           |            |
| Credit contracts                              |         | \$ 156,660 | \$ 35,266 | \$ 191,926 |
| Foreign currency exchange contracts           |         | 407        |           | 407        |
| <b>Liabilities:</b>                           |         |            |           |            |
| Credit contracts                              |         | (6,092)    | (15)      | (6,107)    |
| Foreign currency exchange contracts           |         | (15,017)   |           | (15,017)   |
| <b>Total</b>                                  |         | \$ 135,958 | \$ 35,251 | \$ 171,209 |

<sup>1</sup> Derivative financial instruments are swaps, foreign currency exchange contracts and options. Swaps 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:

|   | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Preferred Securities | Warrants  | Total        |
|---|---------------|-----------------|------------------------------|-----------------|----------------------|-----------|--------------|
| <b>Assets/Liabilities:</b>                                      |               |                 |                              |                 |                      |           |              |
| Balance, as of August 31, 2011                                  | \$ 27,152     | \$ 688,980      | \$ 1,642,711                 | \$ 477          | \$ 45,985            | \$ 34,922 | \$ 2,440,227 |
| Accrued discounts/premiums                                      |               |                 | 10,336                       |                 |                      |           | 10,336       |
| Net realized gain (loss)  |               | 8,873           | 6,344                        | 910             | 54,100               |           | 70,227       |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | (23,756)      | (15,023)        | (119,058)                    | (477)           | (45,985)             |           | (204,299)    |
| Purchases   | 6,230         | 8,369           | 67,215                       |                 |                      |           | 81,814       |
| Sales   |               | (36,750)        | (77,190)                     | (910)           | (54,100)             |           | (168,950)    |
| Transfers in <sup>3</sup>                                       |               |                 | 306,067                      |                 |                      |           | 306,067      |
| Transfers out <sup>3</sup>                                      |               |                 | (387,187)                    |                 |                      | (34,921)  | (422,108)    |
| <b>Balance, as of February 29, 2012</b>                         | \$ 9,626      | \$ 654,449      | \$ 1,449,238                 |                 |                      | \$ 1      | \$ 2,113,314 |

<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 29, 2012 was \$(150,114).

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

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

|   | Credit Contracts |
|---|------------------|
| <b>Assets/Liabilities:</b>                                      |                  |
| Balance, as of August 31, 2011                                  |                  |
| Accrued discounts/premiums                                      | \$ (10,677)      |
| Net realized gain (loss)  |                  |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 35,250           |
| Purchases   |                  |
| Issuances <sup>5</sup>  | 44,181           |
| Sales   |                  |
| Settlements <sup>6</sup>  | (33,503)         |
| Transfers in <sup>7</sup>                                       |                  |
| Transfers out <sup>7</sup>                                      |                  |

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**Balance, as of February 29, 2012**

\$ 35,251

- <sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$35,250.
- <sup>5</sup> Issuances represent upfront cash received on certain derivative financial instruments.
- <sup>6</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.
- <sup>7</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

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Schedule of Investments February 29, 2012 (Unaudited)

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

| Asset-Backed Securities   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Asset-Backed Securities 5.6%</b>   |              |            |
| 321 Henderson Receivables I LLC, Series 2010-3A,<br>Class A, 3.82%, 12/15/48 (a)        | USD 804      | \$ 809,872 |
| AH Mortgage Advance Trust, Series SART-3,<br>Class 1A1, 2.98%, 3/13/43 (a)              | 630          | 624,706    |
| AmeriCredit Automobile Receivables Trust,<br>Series 2011-5, Class C, 3.44%, 10/08/17    | 400          | 409,022    |
| CarMax Auto Owner Trust:  |              |            |
| Series 2012-1, Class B, 1.76%, 8/15/17  | 210          | 209,783    |
| Series 2012-1, Class C, 2.20%, 10/16/17   | 125          | 124,845    |
| Series 2012-1, Class D, 3.09%, 8/15/18  | 160          | 159,809    |
| CenterPoint Energy Transition Bond Co. LLC,<br>Series 2012-1, Class A3, 3.03%, 10/15/25 | 1,105        | 1,118,781  |
| Credit Acceptance Auto Loan Trust, Series 2010-1,<br>Class B, 3.63%, 10/15/18 (a)       | 1,970        | 1,974,447  |
| DT Auto Owner Trust (a):  |              |            |
| Series 2011-2A, Class C, 3.05%, 2/16/16   | 1,500        | 1,498,858  |
| Series 2011-3A, Class C, 4.03%, 2/15/17   | 260          | 262,884    |
| Ford Credit Floorplan Master Owner Trust:   |              |            |
| Series 2012-1, Class B, 1.15%, 1/15/16 (b)  | 180          | 180,002    |
| Series 2012-1, Class C, 1.75%, 1/15/16 (b)  | 480          | 480,004    |
| Series 2012-1, Class D, 2.35%, 1/15/16 (b)  | 450          | 450,003    |
| Series 2012-2, Class B, 2.32%, 1/15/19  | 245          | 245,023    |
| Series 2012-2, Class C, 2.86%, 1/15/19  | 105          | 104,921    |
| Series 2012-2, Class D, 3.51%, 1/15/19  | 200          | 199,843    |
| Globaldrive BV, Series 2008-2, Class A,<br>4.00%, 10/20/16                              | EUR 264      | 354,417    |
| Home Equity Asset Trust, Series 2007-2, Class 2A1,<br>0.35%, 7/25/37 (b)                | USD 130      | 127,042    |
| Nelnet Student Loan Trust (b):  |              |            |
| Series 2006-1, Class A5, 0.60%, 8/23/27   | 525          | 488,049    |
| Series 2008-3, Class A4, 2.14%, 11/25/24  | 620          | 639,191    |
| PFS Financing Corp., Series 2012-AA, Class A,<br>1.46%, 2/15/16 (a)(b)                  | 480          | 480,000    |
| Santander Consumer Acquired Receivables Trust (a):                                      |              |            |
| Series 2011-S1A, Class B, 1.66%, 8/15/16  | 596          | 596,319    |
| Series 2011-S1A, Class C, 2.01%, 8/15/16  | 444          | 439,288    |
| Series 2011-S1A, Class D, 3.15%, 8/15/16  | 452          | 451,249    |
| Series 2011-WO, Class C, 3.19%, 10/15/15  | 575          | 574,248    |
| Santander Drive Auto Receivables Trust:   |              |            |
| Series 2010-2, Class B, 2.24%, 12/15/14   | 870          | 873,712    |
| Series 2010-2, Class C, 3.89%, 7/17/17  | 1,020        | 1,031,313  |
| Series 2010-B, Class B, 2.10%, 9/15/14 (a)  | 700          | 704,040    |
| Series 2010-B, Class C, 3.02%, 10/17/16 (a)   | 735          | 730,438    |
| Series 2011-1, Class D, 4.01%, 2/15/17  | 940          | 944,687    |
| Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)  | 357          | 354,894    |
| Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)  | 388          | 384,887    |
| Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)  | 919          | 919,399    |
| Series 2012-1, Class B, 2.72%, 5/16/16  | 240          | 240,290    |
| Series 2012-1, Class C, 3.78%, 11/15/17   | 325          | 325,521    |
| SLM Student Loan Trust:   |              |            |

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|   |     |            |
|---|-----|------------|
| Series 2004-B, Class A2, 0.75%, 6/15/21 (b)   | 217 | 208,113    |
| Series 2008-5, Class A3, 1.86%, 1/25/18 (b)   | 525 | 533,232    |
| Series 2008-5, Class A4, 2.26%, 7/25/23 (b)   | 630 | 645,212    |
| Series 2012-A, Class A1, 1.66%,<br>8/15/25 (a)(b)   | 380 | 380,085    |
| Series 2012-A, Class A2, 3.83%, 1/17/45 (a)   | 345 | 345,338    |
| Small Business Administration Participation<br>Certificates, Series 1996-20K, Class 1,<br>6.95%, 11/01/16 | 222 | 240,337    |
|   |     | 21,864,104 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Asset-Backed Securities</b>  |              |            |
| <b>Interest Only Asset-Backed Securities 0.2%</b>                     |              |            |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (a) | USD 4,458    | \$ 345,527 |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29                        | 6,359        | 492,822    |
|   |              | 838,349    |
| <b>Total Asset-Backed Securities 5.8%</b>                             |              | 22,702,453 |

|                                       | Shares |   |
|---------------------------------------|--------|---|
| <b>Common Stocks (c) 0.0%</b>         |        |   |
| <b>Software 0.0%</b>                  |        |   |
| Bankruptcy Management Solutions, Inc. | 152    | 3 |

|   | Par<br>(000) |            |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Aerospace &amp; Defense 0.6%</b>                                   |              |            |
| United Technologies Corp.:  |              |            |
| 4.88%, 5/01/15  | USD 1,250    | 1,403,397  |
| 6.13%, 7/15/38  | 750          | 995,951    |
|   |              | 2,399,348  |
| <b>Airlines 0.4%</b>  |              |            |
| Continental Airlines, Inc., Series 2010-1, Class B,<br>6.00%, 1/12/19 | 672          | 651,509    |
| United Air Lines, Inc., 12.75%, 7/15/12                               | 786          | 813,162    |
|   |              | 1,464,671  |
| <b>Auto Components 0.3%</b>   |              |            |
| BorgWarner, Inc., 4.63%, 9/15/20                                      | 265          | 284,247    |
| Icahn Enterprises LP, 8.00%, 1/15/18                                  | 1,000        | 1,060,000  |
|   |              | 1,344,247  |
| <b>Capital Markets 5.6%</b>   |              |            |
| CDP Financial, Inc., 5.60%, 11/25/39 (a)                              | 2,955        | 3,574,028  |
| Credit Suisse AG:   |              |            |
| 2.60%, 5/27/16 (a)  | 570          | 583,207    |
| 5.40%, 1/14/20 (d)  | 1,785        | 1,793,150  |
| E*Trade Financial Corp., 12.50%, 11/30/17                             | 1,440        | 1,677,600  |
| The Goldman Sachs Group, Inc.:  |              |            |
| 5.38%, 3/15/20  | 1,215        | 1,245,046  |
| 5.25%, 7/27/21  | 3,175        | 3,180,188  |
| 5.75%, 1/24/22  | 3,455        | 3,606,467  |
| Lehman Brothers Holdings, Inc., 6.50%,<br>7/19/17 (c)(e)              | 225          | 22         |
| Morgan Stanley:   |              |            |
| 3.01%, 5/14/13 (b)  | 1,880        | 1,882,668  |
| 4.20%, 11/20/14   | 680          | 682,540    |
| 4.00%, 7/24/15  | 400          | 400,363    |
| 6.25%, 8/28/17  | 1,925        | 2,017,960  |
| 5.63%, 9/23/19  | 760          | 759,881    |
| 5.50%, 7/28/21  | 370          | 366,583    |
|   |              | 21,769,703 |

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| <b>Chemicals 1.0%</b>                             |       |           |
|---|-------|-----------|
| American Pacific Corp., 9.00%, 2/01/15            | 280   | 273,000   |
| CF Industries, Inc., 7.13%, 5/01/20               | 1,470 | 1,800,750 |
| The Dow Chemical Co., 4.13%, 11/15/21             | 350   | 372,474   |
| Ineos Finance Plc, 8.38%, 2/15/19 (a)             | 265   | 281,562   |
| Lyondell Chemical Co., 11.00%, 5/01/18            | 680   | 745,450   |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (a) | 240   | 263,400   |
|   |       | 3,736,636 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                    |     |              |            |
| <b>Commercial Banks 5.5%</b>                              |     |              |            |
| CIT Group, Inc. (a):                                      |     |              |            |
| 7.00%, 5/02/16  | USD | 110          | \$ 110,138 |
| 7.00%, 5/02/17  |     | 1,035        | 1,036,294  |
| DEPFA ACS Bank, 5.13%, 3/16/37 (a)                        |     | 4,150        | 2,900,248  |
| Discover Bank, 8.70%, 11/18/19                            |     | 250          | 300,923    |
| DnB NOR Boligkreditt (a):                                 |     |              |            |
| 2.10%, 10/14/15   |     | 4,005        | 4,047,553  |
| 2.90%, 3/29/16  |     | 2,595        | 2,689,754  |
| Ekspportfinans ASA, 5.50%, 6/26/17                        |     | 1,000        | 959,878    |
| HSBC Bank Brasil SA Banco Multiplo, 4.00%,<br>5/11/16 (a) |     | 1,400        | 1,393,000  |
| HSBC Bank Plc, 3.10%, 5/24/16 (a)                         |     | 695          | 710,919    |
| HSBC Holdings Plc, 6.10%, 1/14/42                         |     | 305          | 363,539    |
| Sparebanken 1 Boligkreditt (a):                           |     |              |            |
| 1.25%, 10/25/13   |     | 1,575        | 1,576,652  |
| 2.63%, 5/27/16  |     | 1,675        | 1,714,687  |
| Wachovia Corp., 5.25%, 8/01/14                            |     | 3,420        | 3,692,208  |
|   |     |              | 21,495,793 |
| <b>Commercial Services &amp; Supplies 0.4%</b>            |     |              |            |
| ARAMARK Corp., 8.50%, 2/01/15                             |     | 18           | 18,473     |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)           |     | 136          | 141,702    |
| Mobile Mini, Inc., 7.88%, 12/01/20                        |     | 1,320        | 1,386,000  |
| West Corp., 8.63%, 10/01/18                               |     | 135          | 148,162    |
|   |     |              | 1,694,337  |
| <b>Construction &amp; Engineering 0.1%</b>                |     |              |            |
| Abengoa SA, 8.50%, 3/31/16                                | EUR | 150          | 204,881    |
| <b>Construction Materials 0.0%</b>                        |     |              |            |
| Lafarge SA, 7.13%, 7/15/36                                | USD | 135          | 124,670    |
| <b>Consumer Finance 0.7%</b>                              |     |              |            |
| Ford Motor Credit Co. LLC:                                |     |              |            |
| 7.80%, 6/01/12  |     | 380          | 384,684    |
| 6.63%, 8/15/17  |     | 280          | 317,286    |
| 5.88%, 8/02/21  |     | 270          | 301,312    |
| SLM Corp.:  |     |              |            |
| 6.25%, 1/25/16  |     | 651          | 680,295    |
| Series A, 0.86%, 1/27/14 (b)                              |     | 600          | 570,969    |
| Toll Brothers Finance Corp., 5.88%, 2/15/22               |     | 345          | 357,846    |
|   |     |              | 2,612,392  |
| <b>Containers &amp; Packaging 0.2%</b>                    |     |              |            |
| Ardagh Packaging Finance Plc, 7.38%,<br>10/15/17 (a)      | EUR | 425          | 597,370    |
| <b>Diversified Financial Services 6.5%</b>                |     |              |            |
| Ally Financial, Inc.:                                     |     |              |            |
| 8.30%, 2/12/15  | USD | 860          | 950,300    |
| 6.25%, 12/01/17   |     | 160          | 165,379    |
| 8.00%, 3/15/20  |     | 560          | 634,200    |
| Capital One Financial Corp., 4.75%, 7/15/21               |     | 975          | 1,027,923  |
| Citigroup, Inc.:  |     |              |            |
| 5.00%, 9/15/14  |     | 285          | 296,700    |
| 4.59%, 12/15/15   |     | 7,245        | 7,673,737  |

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|   |     |              |              |
|---|-----|--------------|--------------|
| General Electric Capital Corp. (d):                     |     |              |              |
| 2.13%, 12/21/12   |     | 525          | 533,142      |
| 6.75%, 3/15/32  |     | 3,000        | 3,645,615    |
| JPMorgan Chase & Co.:                                   |     |              |              |
| 6.30%, 4/23/19  |     | 1,375        | 1,616,392    |
| 4.50%, 1/24/22  |     | 2,250        | 2,390,726    |
| Series BKNT, 6.00%, 10/01/17                            |     | 2,045        | 2,294,578    |
| Reynolds Group Issuer, Inc. (a):                        |     |              |              |
| 7.75%, 10/15/16   | EUR | 550          | 778,563      |
| 7.88%, 8/15/19  | USD | 660          | 722,700      |
| 6.88%, 2/15/21  |     | 1,730        | 1,833,800    |
|   |     | <b>Par</b>   | <b>Value</b> |
|   |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>                                  |     |              |              |
| <b>Diversified Financial Services (concluded)</b>       |     |              |              |
| WMG Acquisition Corp. (a):                              |     |              |              |
| 9.50%, 6/15/16  | USD | 160          | \$ 176,800   |
| 11.50%, 10/01/18  |     | 780          | 828,750      |
|   |     |              | 25,569,305   |
| <b>Diversified Telecommunication Services 3.3%</b>      |     |              |              |
| Level 3 Financing, Inc. (a):                            |     |              |              |
| 8.13%, 7/01/19  |     | 671          | 702,872      |
| 8.63%, 7/15/20  |     | 740          | 789,950      |
| Telecom Italia Capital SA, 4.95%, 9/30/14               |     | 4,375        | 4,413,281    |
| Verizon Communications, Inc.:                           |     |              |              |
| 3.50%, 11/01/21   |     | 500          | 523,076      |
| 6.40%, 2/15/38  |     | 3,396        | 4,255,005    |
| 8.95%, 3/01/39  |     | 1,125        | 1,783,586    |
| Windstream Corp., 7.88%, 11/01/17                       |     | 200          | 225,500      |
|   |     |              | 12,693,270   |
| <b>Electric Utilities 5.2%</b>                          |     |              |              |
| Alabama Power Co.:                                      |     |              |              |
| 3.95%, 6/01/21  |     | 460          | 499,779      |
| 6.00%, 3/01/39  |     | 550          | 710,849      |
| The Cleveland Electric Illuminating Co.:                |     |              |              |
| 8.88%, 11/15/18   |     | 121          | 161,070      |
| 5.95%, 12/15/36   |     | 217          | 238,477      |
| Constellation Energy Group, Inc., 7.60%, 4/01/32        |     | 200          | 267,491      |
| Duke Energy Carolinas LLC:                              |     |              |              |
| 6.10%, 6/01/37  |     | 325          | 412,645      |
| 6.00%, 1/15/38  |     | 850          | 1,117,062    |
| 4.25%, 12/15/41   |     | 375          | 395,793      |
| E.ON International Finance BV, 6.65%, 4/30/38 (a)       |     | 1,575        | 2,062,535    |
| EDF SA, 5.60%, 1/27/40 (a)                              |     | 1,400        | 1,490,042    |
| Florida Power Corp.:                                    |     |              |              |
| 6.35%, 9/15/37  |     | 1,450        | 1,954,322    |
| 6.40%, 6/15/38  |     | 340          | 462,884      |
| Georgia Power Co., 3.00%, 4/15/16                       |     | 800          | 851,782      |
| Jersey Central Power & Light Co., 7.35%, 2/01/19        |     | 245          | 310,546      |
| Ohio Power Co., Series D, 6.60%, 3/01/33                |     | 1,500        | 1,893,546    |
| PacifiCorp., 6.25%, 10/15/37                            |     | 650          | 862,513      |
| Public Service Co. of Colorado, 6.25%, 9/01/37          |     | 1,350        | 1,816,256    |
| Southern California Edison Co.:                         |     |              |              |
| 5.63%, 2/01/36  |     | 675          | 844,966      |
| Series 08-A, 5.95%, 2/01/38                             |     | 1,100        | 1,447,840    |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14      | EUR | 1,350        | 1,680,796    |
| The Toledo Edison Co., 6.15%, 5/15/37                   | USD | 350          | 413,908      |
| Trans-Allegheny Interstate Line Co., 4.00%, 1/15/15 (a) |     | 250          | 264,907      |
|   |     |              | 20,160,009   |
| <b>Energy Equipment &amp; Services 2.9%</b>             |     |              |              |

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|  |       |            |
|--|-------|------------|
| Calfrac Holdings LP, 7.50%, 12/01/20 (a)         | 565   | 565,000    |
| EnSCO Plc:                                       |       |            |
| 3.25%, 3/15/16                                   | 160   | 166,976    |
| 4.70%, 3/15/21                                   | 1,745 | 1,910,543  |
| Frac Tech Services LLC, 7.63%, 11/15/18 (a)      | 1,110 | 1,184,925  |
| MEG Energy Corp., 6.50%, 3/15/21 (a)             | 560   | 599,200    |
| Noble Holding International Ltd., 5.25%, 3/15/42 | 350   | 370,145    |
| Peabody Energy Corp., 6.25%, 11/15/21 (a)        | 3,855 | 4,038,113  |
| Pride International, Inc., 6.88%, 8/15/20        | 235   | 286,263    |
| Transocean, Inc.:                                |       |            |
| 5.05%, 12/15/16                                  | 850   | 929,948    |
| 6.50%, 11/15/20                                  | 350   | 408,186    |
| 6.38%, 12/15/21                                  | 845   | 997,227    |
|  |       | 11,456,526 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                     |     |              |              |
| <b>Food &amp; Staples Retailing 1.0%</b>                   |     |              |              |
| Wal-Mart Stores, Inc.:                                     |     |              |              |
| 6.50%, 8/15/37   | USD | 1,975        | \$ 2,687,752 |
| 6.20%, 4/15/38 (d)   |     | 850          | 1,120,925    |
|  |     |              | 3,808,677    |
| <b>Food Products 1.0%</b>                                  |     |              |              |
| Darling International, Inc., 8.50%, 12/15/18               |     |              |              |
|  |     | 335          | 376,875      |
| Kraft Foods, Inc., 5.38%, 2/10/20                          |     |              |              |
|  |     | 3,000        | 3,497,868    |
|  |     |              | 3,874,743    |
| <b>Health Care Equipment &amp; Supplies 0.7%</b>           |     |              |              |
| Boston Scientific Corp., 6.25%, 11/15/15                   |     |              |              |
|  |     | 1,260        | 1,400,964    |
| DJO Finance LLC:   |     |              |              |
| 10.88%, 11/15/14   |     | 850          | 864,875      |
| 7.75%, 4/15/18   |     | 40           | 34,400       |
| Teleflex, Inc., 6.88%, 6/01/19                             |     |              |              |
|  |     | 385          | 414,837      |
|  |     |              | 2,715,076    |
| <b>Health Care Providers &amp; Services 2.4%</b>           |     |              |              |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19              |     |              |              |
|  |     | 535          | 547,037      |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (a)              |     |              |              |
|  | EUR | 494          | 682,837      |
| HCA, Inc.:   |     |              |              |
| 8.50%, 4/15/19   | USD | 17           | 19,040       |
| 6.50%, 2/15/20   |     | 2,015        | 2,161,087    |
| 7.88%, 2/15/20   |     | 135          | 148,838      |
| 7.25%, 9/15/20   |     | 50           | 54,500       |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (a)  |     |              |              |
|  |     | 850          | 886,125      |
| IASIS Healthcare LLC, 8.38%, 5/15/19                       |     |              |              |
|  |     | 1,000        | 955,000      |
| INC Research LLC, 11.50%, 7/15/19 (a)                      |     |              |              |
|  |     | 545          | 523,200      |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a)                 |     |              |              |
|  |     | 155          | 141,050      |
| Omnicare, Inc., 7.75%, 6/01/20                             |     |              |              |
|  |     | 805          | 896,569      |
| Symbion, Inc., 8.00%, 6/15/16                              |     |              |              |
|  |     | 455          | 439,075      |
| Tenet Healthcare Corp.:                                    |     |              |              |
| 10.00%, 5/01/18  |     | 370          | 431,050      |
| 8.88%, 7/01/19   |     | 1,150        | 1,311,000    |
| UnitedHealth Group, Inc., 3.38%, 11/15/21                  |     |              |              |
|  |     | 160          | 168,580      |
|  |     |              | 9,364,988    |
| <b>Health Care Technology 0.8%</b>                         |     |              |              |
| Amgen, Inc.:   |     |              |              |
| 3.88%, 11/15/21  |     | 1,500        | 1,558,739    |
| 6.40%, 2/01/39   |     | 750          | 896,546      |
| 5.15%, 11/15/41  |     | 750          | 784,909      |
|  |     |              | 3,240,194    |
| <b>Hotels, Restaurants &amp; Leisure 0.6%</b>              |     |              |              |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (a)                  |     |              |              |
|  |     | 180          | 171,450      |
| MGM Resorts International, 11.13%, 11/15/17                |     |              |              |
|  |     | 265          | 301,438      |
| Punch Taverns Finance B Ltd., Series A7,<br>4.77%, 6/30/33 |     |              |              |
|  | GBP | 1,721        | 1,964,615    |
|  |     |              | 2,437,503    |
| <b>Household Durables 0.3%</b>                             |     |              |              |
| Standard Pacific Corp., 10.75%, 9/15/16                    |     |              |              |
|  | USD | 1,000        | 1,148,750    |
| <b>Household Products 0.1%</b>                             |     |              |              |

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|  |     |                  |              |
|--|-----|------------------|--------------|
| Ontex IV SA, 7.50%, 4/15/18 (a)                              | EUR | 190              | 232,886      |
| <b>Independent Power Producers &amp; Energy Traders 0.5%</b> |     |                  |              |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | USD | 1,955            | 2,123,619    |
| <b>Industrial Conglomerates 0.5%</b>                         |     |                  |              |
| Sequa Corp. (a):   |     |                  |              |
| 11.75%, 12/01/15   |     | 760              | 807,500      |
| 13.50%, 12/01/15   |     | 927              | 990,086      |
|  |     |                  | 1,797,586    |
|  |     | <b>Par (000)</b> | <b>Value</b> |
| <b>Corporate Bonds Insurance 2.7%</b>                        |     |                  |              |
| Allianz Finance II BV, 5.75%, 7/08/41 (b)                    | EUR | 500              | \$ 633,705   |
| American International Group, Inc., 5.45%, 5/18/17           | USD | 800              | 850,281      |
| AXA SA, 5.25%, 4/16/40 (b)                                   | EUR | 250              | 279,985      |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (a)                | USD | 408              | 439,110      |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)          |     | 820              | 804,094      |
| Hartford Financial Services Group, Inc., 6.00%, 1/15/19      |     | 345              | 368,167      |
| Lincoln National Corp., 6.25%, 2/15/20                       |     | 630              | 722,091      |
| Manulife Financial Corp., 3.40%, 9/17/15                     |     | 1,625            | 1,691,495    |
| Metropolitan Life Global Funding I, 5.13%, 6/10/14 (a)       |     | 775              | 836,546      |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)            |     | 340              | 303,450      |
| Muenchener Rueckversicherungs AG, 6.00%, 5/26/41 (b)         | EUR | 200              | 270,465      |
| Prudential Financial, Inc.:                                  |     |                  |              |
| 4.75%, 9/17/15   | USD | 1,220            | 1,329,100    |
| 7.38%, 6/15/19   |     | 300              | 371,333      |
| 5.38%, 6/21/20   |     | 250              | 282,002      |
| 4.50%, 11/15/20  |     | 400              | 425,822      |
| 5.70%, 12/14/36  |     | 950              | 1,025,097    |
|  |     |                  | 10,632,743   |
| <b>IT Services 0.8%</b>                                      |     |                  |              |
| First Data Corp. (a):  |     |                  |              |
| 7.38%, 6/15/19   |     | 205              | 207,306      |
| 8.88%, 8/15/20   |     | 1,000            | 1,082,500    |
| 8.25%, 1/15/21   |     | 80               | 77,400       |
| SunGard Data Systems, Inc.:                                  |     |                  |              |
| 7.38%, 11/15/18  |     | 490              | 526,750      |
| 7.63%, 11/15/20  |     | 1,100            | 1,188,000    |
|  |     |                  | 3,081,956    |
| <b>Machinery 0.4%</b>  |     |                  |              |
| Joy Global, Inc., 5.13%, 10/15/21                            |     | 225              | 247,152      |
| Navistar International Corp., 8.25%, 11/01/21                |     | 13               | 14,219       |
| UR Financing Escrow Corp. (a)(f):                            |     |                  |              |
| 5.75%, 7/15/18   |     | 194              | 199,335      |
| 7.38%, 5/15/20   |     | 495              | 507,994      |
| 7.63%, 4/15/22   |     | 455              | 470,925      |
|  |     |                  | 1,439,625    |
| <b>Marine 0.3%</b>   |     |                  |              |
| Nakilat, Inc., Series A, 6.07%, 12/31/33 (a)                 |     | 1,100            | 1,182,500    |
| <b>Media 7.5%</b>  |     |                  |              |
| Affinion Group, Inc., 7.88%, 12/15/18                        |     | 1,505            | 1,346,975    |
| AMC Networks, Inc., 7.75%, 7/15/21 (a)                       |     | 320              | 356,800      |
| CBS Corp.:   |     |                  |              |
| 4.63%, 5/15/18   |     | 810              | 874,123      |

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|   |       |           |
|---|-------|-----------|
| 8.88%, 5/15/19  | 320   | 426,677   |
| 5.75%, 4/15/20  | 250   | 287,945   |
| CCH II LLC, 13.50%, 11/30/16                                    | 2,265 | 2,604,291 |
| Clear Channel Communications, Inc.,<br>9.00%, 3/01/21           | 685   | 630,200   |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17      | 278   | 304,410   |
| Series B, 9.25%, 12/15/17                                       | 2,492 | 2,741,200 |
| Comcast Cable Communications Holdings, Inc.,<br>9.46%, 11/15/22 | 2,000 | 2,957,728 |
| Cox Communications, Inc. (a):<br>6.95%, 6/01/38                 | 1,000 | 1,187,155 |
| 8.38%, 3/01/39  | 900   | 1,272,818 |
| DIRECTV Holdings LLC, 6.38%, 3/01/41                            | 260   | 312,960   |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>                                  |     |              |              |
| <b>Media (concluded)</b>                                |     |              |              |
| Gray Television, Inc., 10.50%, 6/29/15                  | USD | 975          | \$ 1,029,844 |
| Intelsat Luxembourg SA:                                 |     |              |              |
| 11.25%, 6/15/16   |     | 410          | 433,575      |
| 11.25%, 2/04/17   |     | 520          | 536,250      |
| 11.50%, 2/04/17 (g)                                     |     | 420          | 432,600      |
| NBC Universal Media LLC:                                |     |              |              |
| 5.15%, 4/30/20  |     | 1,974        | 2,282,406    |
| 4.38%, 4/01/21  |     | 1,015        | 1,111,845    |
| The New York Times Co., 6.63%, 12/15/16                 |     | 1,800        | 1,876,500    |
| News America, Inc., 4.50%, 2/15/21                      |     | 40           | 43,122       |
| Time Warner Cable, Inc.:                                |     |              |              |
| 7.30%, 7/01/38  |     | 970          | 1,246,531    |
| 5.88%, 11/15/40   |     | 460          | 522,324      |
| 5.50%, 9/01/41  |     | 920          | 1,012,976    |
| Time Warner, Inc.:                                      |     |              |              |
| 4.70%, 1/15/21  |     | 1,000        | 1,115,148    |
| 6.10%, 7/15/40  |     | 615          | 729,321      |
| Virgin Media Secured Finance Plc:                       |     |              |              |
| 6.50%, 1/15/18  |     | 330          | 359,700      |
| 7.00%, 1/15/18  | GBP | 792          | 1,360,792    |
|   |     |              | 29,396,216   |
| <b>Metals &amp; Mining 3.5%</b>                         |     |              |              |
| Alcoa, Inc., 5.40%, 4/15/21                             | USD | 1,450        | 1,509,501    |
| AngloGold Ashanti Holdings Plc, 5.38%, 4/15/20          |     | 245          | 252,252      |
| Barrick Gold Corp., 2.90%, 5/30/16                      |     | 1,685        | 1,776,120    |
| Barrick North America Finance LLC, 4.40%, 5/30/21       |     | 15           | 16,508       |
| Cliffs Natural Resources, Inc., 4.80%, 10/01/20         |     | 240          | 253,865      |
| Falconbridge Ltd., 6.20%, 6/15/35                       |     | 1,550        | 1,624,006    |
| Freeport-McMoRan Copper & Gold, Inc.,<br>3.55%, 3/01/22 |     | 540          | 537,419      |
| Newcrest Finance Pty Ltd., 4.45%, 11/15/21 (a)          |     | 475          | 487,131      |
| Novelis, Inc., 8.75%, 12/15/20                          |     | 4,105        | 4,577,075    |
| Teck Resources Ltd., 5.38%, 10/01/15                    |     | 2,350        | 2,621,228    |
|   |     |              | 13,655,105   |
| <b>Multi-Utilities 0.4%</b>                             |     |              |              |
| Dominion Resources, Inc., 6.00%, 11/30/17               |     | 1,135        | 1,371,289    |
| <b>Multiline Retail 0.8%</b>                            |     |              |              |
| Dollar General Corp., 11.88%, 7/15/17 (b)               |     | 1,500        | 1,646,265    |
| Macy's Retail Holdings, Inc.:                           |     |              |              |
| 5.90%, 12/01/16   |     | 800          | 920,615      |
| 7.45%, 7/15/17  |     | 581          | 713,135      |
|   |     |              | 3,280,015    |
| <b>Oil, Gas &amp; Consumable Fuels 9.0%</b>             |     |              |              |
| Anadarko Petroleum Corp.:                               |     |              |              |
| 5.95%, 9/15/16  |     | 1,916        | 2,218,197    |
| 6.38%, 9/15/17  |     | 1,825        | 2,190,588    |
| Berry Petroleum Co., 8.25%, 11/01/16                    |     | 160          | 166,800      |
| BP Capital Markets Plc, 3.13%, 10/01/15                 |     | 330          | 353,344      |
| Burlington Resources Finance Co.,<br>7.40%, 12/01/31    |     | 950          | 1,293,729    |

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|   |     |           |
|---|-----|-----------|
| Cenovus Energy, Inc., 6.75%, 11/15/39                   | 750 | 1,022,706 |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (a) | 400 | 414,000   |
| ConocoPhillips Canada Funding Co.,<br>5.95%, 10/15/36   | 150 | 187,826   |
| Consol Energy, Inc.:<br>8.00%, 4/01/17                  | 514 | 558,975   |
| 8.25%, 4/01/20  | 191 | 208,190   |
| Denbury Resources, Inc.:<br>8.25%, 2/15/20              | 915 | 1,043,100 |
| 6.38%, 8/15/21  | 450 | 496,125   |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>               |              |            |
| Devon Energy Corp., 7.95%, 4/15/32                               | USD 650      | \$ 946,724 |
| El Paso Pipeline Partners Operating Co. LLC,<br>6.50%, 4/01/20   | 240          | 267,419    |
| EnCana Corp.:<br>6.50%, 8/15/34                                  | 70           | 79,135     |
| 6.63%, 8/15/37   | 775          | 907,616    |
| Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                     | 540          | 598,050    |
| Enterprise Products Operating LLC:<br>6.13%, 10/15/39            | 700          | 835,938    |
| Series L, 6.30%, 9/15/17   | 600          | 709,377    |
| KeySpan Gas East Corp., 5.82%, 4/01/41 (a)                       | 505          | 611,284    |
| Kinder Morgan Energy Partners LP:<br>5.95%, 2/15/18              | 1,300        | 1,547,482  |
| 6.55%, 9/15/40   | 110          | 126,146    |
| 6.38%, 3/01/41   | 160          | 181,901    |
| Linn Energy LLC, 6.25%, 11/01/19 (a)(f)                          | 590          | 589,263    |
| Marathon Petroleum Corp., 6.50%, 3/01/41                         | 1,052        | 1,188,949  |
| MidAmerican Energy Co., 5.80%, 10/15/36                          | 800          | 969,791    |
| MidAmerican Energy Holdings Co.:<br>5.95%, 5/15/37               | 950          | 1,151,058  |
| 6.50%, 9/15/37   | 2,115        | 2,740,831  |
| Nexen, Inc.:<br>6.40%, 5/15/37                                   | 400          | 458,800    |
| 7.50%, 7/30/39   | 670          | 860,552    |
| Petrobras International Finance Co.:<br>3.88%, 1/27/16           | 1,335        | 1,392,338  |
| 5.75%, 1/20/20   | 1,760        | 1,936,000  |
| Premier Oil Plc, 5.11%, 6/09/18 (a)                              | 1,900        | 1,961,750  |
| Range Resources Corp., 5.75%, 6/01/21                            | 941          | 1,006,870  |
| Rockies Express Pipeline LLC, 3.90%, 4/15/15 (a)                 | 804          | 771,840    |
| Suncor Energy, Inc., 6.10%, 6/01/18                              | 1,750        | 2,134,934  |
| Western Gas Partners LP, 5.38%, 6/01/21                          | 715          | 762,926    |
| Woodside Finance Ltd., 4.60%, 5/10/21 (a)                        | 205          | 214,411    |
|  |              | 35,104,965 |
| <b>Paper &amp; Forest Products 0.7%</b>                          |              |            |
| Clearwater Paper Corp., 7.13%, 11/01/18                          | 1,000        | 1,065,000  |
| International Paper Co.:<br>7.50%, 8/15/21                       | 75           | 96,316     |
| 4.75%, 2/15/22   | 420          | 457,552    |
| 6.00%, 11/15/41  | 435          | 502,718    |
| NewPage Corp., 11.38%, 12/31/14 (c)(d)(e)                        | 1,240        | 747,100    |
|  |              | 2,868,686  |
| <b>Pharmaceuticals 0.6%</b>                                      |              |            |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                     | EUR 200      | 286,445    |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (a)                       | USD 620      | 678,125    |
| Teva Pharmaceutical Finance Co. BV, Series 2,<br>3.65%, 11/10/21 | 205          | 213,889    |



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|   |       |           |
|---|-------|-----------|
| Teva Pharmaceutical Finance IV BV,<br>3.65%, 11/10/21 | 1,000 | 1,043,362 |
|   |       | 2,221,821 |
| <b>Professional Services 0.0%</b>                     |       |           |
| FTI Consulting, Inc., 7.75%, 10/01/16                 | 125   | 130,156   |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>     |       |           |
| ERP Operating LP, 4.63%, 12/15/21                     | 505   | 541,080   |
| Ventas Realty LP, 4.75%, 6/01/21                      | 275   | 283,341   |
| Vornado Realty LP, 5.00%, 1/15/22                     | 1,190 | 1,254,554 |
|   |       | 2,078,975 |
| <b>Real Estate Management &amp; Development 0.3%</b>  |       |           |
| Realogy Corp. (a)(d):                                 |       |           |
| 7.88%, 2/15/19  | 429   | 416,130   |
| 7.63%, 1/15/20  | 520   | 536,900   |
| WEA Finance LLC, 4.63%, 5/10/21 (a)                   | 305   | 321,743   |
|   |       | 1,274,773 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value              |
|--|--------------|--------------------|
| <b>Corporate Bonds</b>                               |              |                    |
| <b>Road &amp; Rail 0.8%</b>                          |              |                    |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19           | USD 165      | \$ 172,013         |
| Burlington Northern Santa Fe LLC, 5.75%, 5/01/40     | 940          | 1,139,842          |
| The Hertz Corp., 7.38%, 1/15/21                      | 1,645        | 1,780,712          |
|  |              | 3,092,567          |
| <b>Semiconductors &amp; Semiconductor</b>            |              |                    |
| <b>Equipment 0.1%</b>                                |              |                    |
| Spansion LLC, 7.88%, 11/15/17                        | 390          | 383,175            |
| <b>Software 0.2%</b>                                 |              |                    |
| Oracle Corp., 5.38%, 7/15/40                         | 800          | 972,806            |
| <b>Specialty Retail 0.3%</b>                         |              |                    |
| Home Depot, Inc., 5.88%, 12/16/36                    | 830          | 1,038,021          |
| QVC, Inc. (a):                                       |              |                    |
| 7.50%, 10/01/19                                      | 35           | 38,850             |
| 7.38%, 10/15/20                                      | 35           | 38,763             |
|  |              | 1,115,634          |
| <b>Thrifts &amp; Mortgage Finance 0.7%</b>           |              |                    |
| Northern Rock Plc, 5.63%, 6/22/17 (a)                | 290          | 308,892            |
| Radian Group, Inc.:                                  |              |                    |
| 5.63%, 2/15/13                                       | 1,400        | 1,211,000          |
| 5.38%, 6/15/15                                       | 1,400        | 1,029,000          |
|  |              | 2,548,892          |
| <b>Wireless Telecommunication Services 2.7%</b>      |              |                    |
| America Movil SAB de CV, 2.38%, 9/08/16              | 800          | 816,866            |
| Cricket Communications, Inc., 7.75%, 5/15/16         | 850          | 905,250            |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (a)          | 1,595        | 1,795,898          |
| Digicel Group Ltd. (a):                              |              |                    |
| 8.88%, 1/15/15                                       | 1,800        | 1,831,500          |
| 8.25%, 9/01/17                                       | 150          | 159,000            |
| MetroPCS Wireless, Inc., 6.63%, 11/15/20             | 950          | 978,500            |
| Rogers Communications, Inc., 7.50%, 8/15/38          | 1,175        | 1,596,397          |
| SBA Tower Trust, 5.10%, 4/15/17 (a)                  | 360          | 385,920            |
| Sprint Capital Corp.:                                |              |                    |
| 6.88%, 11/15/28                                      | 510          | 397,800            |
| 8.75%, 3/15/32                                       | 350          | 311,500            |
| Sprint Nextel Corp. (a):                             |              |                    |
| 9.00%, 11/15/18                                      | 530          | 590,950            |
| 7.00%, 3/01/20 (f)                                   | 770          | 782,513            |
|  |              | 10,552,094         |
| <b>Total Corporate Bonds 72.9%</b>                   |              | <b>284,451,173</b> |
| <b>Foreign Agency Obligations</b>                    |              |                    |
| Hellenic Republic Government Bond,<br>4.60%, 9/20/40 | EUR 160      | 42,634             |
| Hydro-Quebec:  |              |                    |
| 9.40%, 2/01/21                                       | USD 390      | 584,676            |
| 8.40%, 1/15/22                                       | 730          | 1,046,735          |
| 8.05%, 7/07/24                                       | 1,900        | 2,801,945          |
| Italy Buoni Poliennali Del Tesoro, 5.00%, 3/01/22    | EUR 1,650    | 2,164,880          |
|  | USD 470      | 443,964            |

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|   |     |         |
|---|-----|---------|
| Italy Government International Bond,<br>5.38%, 6/15/33  |     |         |
| Kreditanstalt fuer Wiederaufbau, 1.38%, 7/15/13         | 655 | 662,307 |
| Mexico Government International Bond:<br>5.63%, 1/15/17 | 370 | 426,425 |
| 5.13%, 1/15/20  | 145 | 165,663 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Foreign Agency Obligations</b>                       |              |            |
| Poland Government International Bond,<br>5.13%, 4/21/21 | USD 705      | \$ 756,112 |
| Russian Foreign Bond Eurobond, 7.50%,<br>3/31/30 (h)    | 1,394        | 1,662,882  |
| Turkey Government International Bond,<br>6.25%, 9/26/22 | 1,500        | 1,608,750  |
| <b>Total Foreign Agency Obligations 3.2%</b>            |              | 12,366,973 |

**Non-Agency Mortgage-Backed Securities**

**Collateralized Mortgage Obligations 2.7%**

|  |       |            |
|--|-------|------------|
| Banc of America Funding Corp., Series 2007-2,<br>Class 1A2, 6.00%, 3/25/37                                 | 1,100 | 863,258    |
| Collateralized Mortgage Obligation Trust:<br>Series 40, Class R, 580.50%, 4/01/18                          | (i)   | 49         |
| Series 42, Class R, 6,000.00%, 10/01/14  | (i)   | 29         |
| Countrywide Alternative Loan Trust:<br>Series 2005-64CB, Class 1A15,<br>5.50%, 12/25/35                    | 1,629 | 1,221,579  |
| Series 2006-0A21, Class A1, 0.44%,<br>3/20/47 (b)  | 882   | 405,576    |
| Series 2006-41CB, Class 1A4,<br>5.75%, 1/25/37   | 748   | 506,865    |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust:<br>Series 2006-0A5, Class 2A1, 0.44%,<br>4/25/46 (b) | 350   | 185,117    |
| Series 2007-10, Class A22, 6.00%, 7/25/37  | 675   | 520,090    |
| Credit Suisse Mortgage Capital Certificates,<br>Series 2011-2R, Class 2A1, 2.70%,<br>7/27/36 (a)(b)        | 1,395 | 1,326,735  |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust,<br>Series 2006-0A1, Class A1, 0.44%, 2/25/47 (b)     | 267   | 157,197    |
| GMAC Mortgage Corp. Loan Trust, Series 2005-AR3,<br>Class 5A1, 5.10%, 6/19/35 (b)                          | 1,227 | 1,153,747  |
| Homebanc Mortgage Trust, Series 2006-2, Class A1,<br>0.42%, 12/25/36 (b)                                   | 648   | 408,548    |
| IndyMac IMJA Mortgage Loan Trust, Series 2007-A1,<br>Class A4, 6.00%, 8/25/37                              | 967   | 810,519    |
| JPMorgan Mortgage Trust, Series 2007-S1,<br>Class 2A22, 5.75%, 3/25/37                                     | 452   | 361,764    |
| Merrill Lynch Mortgage Investors, Inc.,<br>Series 2006-A3, Class 3A1, 2.84%,<br>5/25/36 (b)                | 731   | 479,823    |
| Residential Funding Securities LLC,<br>Series 2003-RM2, Class AI5, 8.50%, 5/25/33                          | 1,860 | 1,989,757  |
| WaMu Mortgage Pass-Through Certificates,<br>Series 2007-0A4, Class 1A, 0.95%, 5/25/47 (b)                  | 385   | 238,362    |
| Wells Fargo Mortgage-Backed Securities Trust,<br>Series 2007-10, Class 1A21, 6.00%, 7/25/37                | 58    | 52,197     |
|  |       | 10,681,212 |

**Commercial Mortgage-Backed Securities 11.9%**

Banc of America Merrill Lynch Commercial  
Mortgage, Inc.:

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|   |       |           |
|---|-------|-----------|
| Series 2007-1, Class A4, 5.45%, 1/15/49   | 500   | 563,501   |
| Series 2007-2, Class A4, 5.43%, 4/10/49 (b)   | 750   | 832,763   |
| Bear Stearns Commercial Mortgage Securities,<br>Series 2005-PWR9, Class A4A, 4.87%, 9/11/42         | 800   | 879,736   |
| Citigroup Commercial Mortgage Trust,<br>Series 2008-C7, Class A4, 6.07%, 12/10/49 (b)               | 1,200 | 1,394,770 |
| Citigroup/Deutsche Bank Commercial Mortgage<br>Trust, Series 2006-CD3, Class AM,<br>5.65%, 10/15/48 | 1,100 | 1,098,253 |
| Commercial Mortgage Loan Trust, Series 2008-LS1,<br>Class A4B, 6.01%, 12/10/49 (b)                  | 1,515 | 1,724,244 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2012

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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>Commercial Mortgage-Backed Securities (concluded)</b>  |              |              |
| Commercial Mortgage Pass-Through Certificates,<br>Series 2006-C7, Class AM, 5.78%, 6/10/46 (b)    | USD 1,750    | \$ 1,812,759 |
| Credit Suisse First Boston Mortgage Securities Corp.,<br>Series 2005-C3, Class AJ, 4.77%, 7/15/37 | 705          | 620,444      |
| Credit Suisse Mortgage Capital Certificates:<br>Series 2006-C3, Class AM, 5.82%, 6/15/38 (b)      | 1,000        | 1,056,006    |
| Series 2006-C5, Class AM, 5.34%, 12/15/39   | 1,750        | 1,751,489    |
| Series 2010-RR2, Class 2A, 5.79%,<br>9/15/39 (a)(b)   | 1,010        | 1,110,067    |
| DBRR Trust, Series 2011-C32, Class A3A, 5.74%,<br>6/17/49 (a)(b)                                  | 365          | 396,307      |
| Extended Stay America Trust, Series 2010-ESHA (a):<br>Class A, 2.95%, 11/05/27                    | 489          | 493,750      |
| Class D, 5.50%, 11/05/27  | 210          | 213,275      |
| First Union-Lehman Brothers-Bank of America,<br>Series 1998-C2, Class D, 6.78%, 11/18/35          | 2,068        | 2,118,803    |
| GMAC Commercial Mortgage Securities, Inc.:<br>Series 2002-C3, Class A2, 4.93%, 7/10/39            | 2,253        | 2,288,682    |
| Series 2004-C3, Class A4, 4.55%, 12/10/41   | 651          | 656,463      |
| Greenwich Capital Commercial Funding Corp.:<br>Series 2006-GG7, Class A4, 5.88%,<br>7/10/38 (b)   | 1,169        | 1,332,267    |
| Series 2007-GG9, Class A4, 5.44%, 3/10/39   | 2,165        | 2,403,585    |
| GS Mortgage Securities Corp. II, Series 2007-GG10,<br>Class A4, 5.79%, 8/10/45 (b)                | 430          | 480,736      |
| JPMorgan Chase Commercial Mortgage Securities Corp.:<br>Series 2004-CBX, Class A4, 4.53%, 1/12/37 | 567          | 566,984      |
| Series 2004-LN2, Class A2, 5.12%, 7/15/41   | 820          | 877,614      |
| Series 2006-CB14, Class AM, 5.45%, 12/12/44 (b)   | 330          | 342,646      |
| Series 2006-CB16, Class AJ, 5.62%, 5/12/45  | 720          | 591,853      |
| LB-UBS Commercial Mortgage Trust (b):<br>Series 2004-C4, Class A3, 5.17%, 6/15/29                 | 1,628        | 1,670,322    |
| Series 2004-C8, Class C, 4.93%, 12/15/39  | 1,385        | 1,345,115    |
| LB-UBS Commercial Mortgage Trust (b)(concluded):<br>Series 2007-C6, Class A4, 5.86%, 7/15/40      | 825          | 934,358      |
| Series 2007-C7, Class A3, 5.87%, 9/15/45  | 1,460        | 1,658,566    |
| Merrill Lynch Mortgage Trust (b):<br>Series 2004-BPC1, Class A3, 4.47%, 10/12/41                  | 417          | 420,938      |
| Series 2004-KEY2, Class A4, 4.86%, 8/12/39  | 1,000        | 1,077,270    |
| Morgan Stanley, Series 2007-XLC1, Class A2,<br>0.56%, 7/17/17                                     | 625          | 580,951      |
| Morgan Stanley Capital I, Series 2007-HQ11,<br>Class A4, 5.45%, 2/12/44 (b)                       | 4,000        | 4,507,196    |
| Morgan Stanley Reremic Trust, Series 2011-IO,<br>Class A, 2.50%, 3/23/51 (a)                      | 1,092        | 1,095,604    |
| Titan Europe Plc, Series 2006-4FSX, Class A1,<br>9.14%, 9/03/14 (b)                               | GBP 255      | 389,708      |
| Wachovia Bank Commercial Mortgage Trust:  | USD 4,592    | 4,626,234    |

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|  |       |            |
|--|-------|------------|
| Series 2006-C28, Class A2, 5.50%,<br>10/15/48    |       |            |
| Series 2007-C33, Class A4, 5.90%,<br>2/15/51 (b) | 2,285 | 2,518,993  |
|  |       | 46,432,252 |

**Interest Only Collateralized Mortgage**

**Obligations 0.0%**

|  |       |        |
|--|-------|--------|
| GSMPS Mortgage Loan Trust, Series 1998-5,<br>Class IO, 0.15%, 6/19/27 (a)(b)                   | 2,236 | 49,905 |
| Salomon Brothers Mortgage Securities VII, Inc.,<br>Series 2000-1, Class IO, 0.65%, 3/25/22 (b) | 339   | 7,085  |
|  |       | 56,990 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Non-Agency Mortgage-Backed Securities</b>                                 |              |            |
| <b>Interest Only Commercial Mortgage-Backed Securities 0.0%</b>              |              |            |
| Morgan Stanley Capital I, Series 1997-HF1, Class X,<br>2.19%, 7/15/29 (a)(b) | USD 1        | \$         |
| <b>Total Non-Agency Mortgage-Backed Securities 14.6%</b>                     |              | 57,170,454 |

**Preferred Securities**

**Capital Trusts**

**Capital Markets 0.0%**

|   |    |        |
|---|----|--------|
| State Street Capital Trust IV, 1.55%, 6/15/37 (b) | 70 | 49,417 |
|---|----|--------|

**Commercial Banks 0.3%**

|  |     |         |
|--|-----|---------|
| Barclays Bank Plc, 5.93% (a)(b)(j)                       | 250 | 215,625 |
| Fifth Third Capital Trust IV, 6.50%, 4/15/67 (b)         | 505 | 501,212 |
| JPMorgan Chase Capital XXV, Series Y,<br>6.80%, 10/01/37 | 205 | 207,050 |
|  |     | 923,887 |

**Consumer Finance 0.2%**

|  |     |         |
|--|-----|---------|
| Capital One Capital V, 10.25%, 8/15/39 | 200 | 208,500 |
| Capital One Capital VI, 8.88%, 5/15/40 | 690 | 713,074 |
|  |     | 921,574 |

**Insurance 1.2%**

|   |       |           |
|---|-------|-----------|
| The Allstate Corp., 6.50%, 5/15/67 (b)                    | 2,150 | 2,107,000 |
| American International Group, Inc., 8.18%,<br>5/15/68 (b) | 195   | 206,456   |
| Lincoln National Corp., 6.05%, 4/20/67 (b)                | 750   | 688,125   |
| MetLife Capital Trust IV, 7.88%, 12/15/67 (a)             | 125   | 137,500   |
| Swiss Re Capital I LP, 6.85% (a)(b)(j)                    | 1,060 | 956,422   |
| XL Group Plc, Series E, 6.50% (b)(j)                      | 810   | 686,475   |
|   |       | 4,781,978 |

**Total Capital Trusts 1.7%**

**Preferred Stocks**

**Shares**

**Thriffs & Mortgage Finance 0.1%**

|                                     |        |         |
|-------------------------------------|--------|---------|
| Fannie Mae (b)(c):                  |        |         |
| Series O, 7.00%                     | 40,000 | 74,000  |
| Series S, 8.25%                     | 10,000 | 15,000  |
| Freddie Mac, Series Z, 8.38% (b)(c) | 94,539 | 139,918 |
| <b>Total Preferred Stocks 0.1%</b>  |        | 228,918 |

**Trust Preferreds 0.1%**

**Par  
(000)**

**Commercial Banks 0.1%**

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|   |     |        |                  |
|---|-----|--------|------------------|
| Citigroup Capital XIII, 7.88%, 10/30/40 | USD | 14,810 | 398,181          |
| <b>Total Preferred Securities 1.9%</b>  |     |        | <b>7,303,955</b> |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value            |
|--|--------------|------------------|
| <b>Taxable Municipal Bonds</b>   |              |                  |
| East Bay Municipal Utility District, RB, Build America Bonds, 5.87%, 6/01/40             | USD 950      | \$ 1,202,310     |
| Indianapolis Local Public Improvement Bond Bank, RB, Build America Bonds, 6.12%, 1/15/40 | 1,260        | 1,572,190        |
| Metropolitan Transportation Authority, RB, Build America Bonds, 7.34%, 11/15/39          | 670          | 963,628          |
| New York City Municipal Water Finance Authority, RB: Build America Bonds, 5.72%, 6/15/42 | 690          | 877,659          |
| Second General Resolution, Series EE, 5.38%, 6/15/43                                     | 385          | 436,725          |
| Second General Resolution, Series EE, 5.50%, 6/15/43                                     | 465          | 535,610          |
| New York State Dormitory Authority, RB, Build America Bonds:                             |              |                  |
| 5.63%, 3/15/39   | 550          | 656,178          |
| 5.60%, 3/15/40   | 950          | 1,155,400        |
| Port Authority of New York & New Jersey, RB, Consolidated, 159th Series, 6.04%, 12/01/29 | 395          | 490,385          |
| University of California, RB, Build America Bonds, 5.95%, 5/15/45                        | 440          | 523,274          |
| <b>Total Taxable Municipal Bonds 2.2%</b>  |              | <b>8,413,359</b> |
| <b>US Government Sponsored Agency Securities</b>   |              |                  |
| <b>Agency Obligations 3.9%</b>   |              |                  |
| Fannie Mae (d):  |              |                  |
| 6.04%, 10/09/19 (k)  | 7,305        | 5,683,706        |
| 5.63%, 7/15/37   | 825          | 1,134,690        |
| Federal Home Loan Bank (d):  |              |                  |
| 5.25%, 12/09/22  | 700          | 879,978          |
| 5.37%, 9/09/24   | 1,100        | 1,360,585        |
| Federal Housing Administration, Merrill Projects, Series 42, 7.43%, 9/01/22              | 38           | 36,884           |
| Resolution Funding Corp., 8.43%, 4/15/30 (k)   | 6,055        | 3,337,032        |
| Tennessee Valley Authority, 5.25%, 9/15/39 (d)   | 2,405        | 3,010,456        |
|  |              | 15,443,331       |
| <b>Collateralized Mortgage Obligations 0.6%</b>  |              |                  |
| Fannie Mae Mortgage-Backed Securities:   |              |                  |
| Series 1991-46, Class S, 2,461.75%, 5/25/21 (b)  | (i)          | 2,537            |
| Series 1991-87, Class S, 26.02%, 8/25/21 (b)   | 21           | 33,475           |
| Series 2005-5, Class PK, 5.00%, 12/25/34   | 752          | 822,004          |
| Series G-7, Class S, 1,116.37%, 3/25/21 (b)  | (i)          | 1,903            |
| Series G-12, Class S, 1,146.44%, 5/25/21 (b)   | (i)          | 4,382            |
| Series G-17, Class S, 1,055.17%, 6/25/21 (b)   | (i)          | 2,305            |
| Series G-33, Class PV, 1,078.42%, 10/25/21   | (i)          | 2,351            |
| Series G-49, Class S, 1,008.80%, 12/25/21 (b)  | (i)          | 790              |
| Freddie Mac Mortgage-Backed Securities:  |              |                  |
| Series 19, Class R, 16,195.38%, 3/15/20 (b)  | (i)          | 493              |
| Series 75, Class R, 9.50%, 1/15/21   | (i)          | 1                |
| Series 75, Class RS, 27.16%, 1/15/21 (b)   | (i)          | 1                |
| Series 173, Class R, 9.00%, 11/15/21   | 5            | 5                |



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|   |       |           |
|---|-------|-----------|
| Series 173, Class RS, 9.20%, 11/15/21 (b)   | (i)   | 6         |
| Series 192, Class U, 1,009.03%, 2/15/22 (b) | (i)   |           |
| Series 1057, Class J, 1,008.00%, 3/15/21    | (i)   | 1,082     |
| Series K013, Class A2, 3.97%, 1/25/21 (b)   | 930   | 1,024,236 |
| Series K706, Class X1, 1.60%, 10/25/18 (b)  | 2,620 | 227,971   |
| FREMF Mortgage Trust (a)(b):                |       |           |
| Series 2012-K706, Class B, 4.02%, 11/25/44  | 145   | 141,595   |
| Series 2012-K706, Class C, 4.02%, 11/25/44  | 170   | 149,774   |
|   |       | 2,414,911 |

|   | Par<br>(000) | Value   |
|---|--------------|---------|
| <b>US Government Sponsored Agency Securities</b>              |              |         |
| <b>Interest Only Collateralized Mortgage Obligations 0.1%</b> |              |         |
| Fannie Mae Mortgage-Backed Securities:                        |              |         |
| Series 7, Class 2, 8.50%, 4/25/17                             | USD 2        | \$ 292  |
| Series 89, Class 2, 8.00%, 10/01/18                           | 3            | 416     |
| Series 94, Class 2, 9.50%, 8/01/21                            | 1            | 253     |
| Series 1990-123, Class M,<br>1,009.50%, 10/25/20              | (i)          | 256     |
| Series 1990-136, Class S, 19.83%,<br>11/25/20 (b)             | 5            | 7,540   |
| Series 1991-99, Class L, 930.00%, 8/25/21                     | (i)          | 1,082   |
| Series 1991-139, Class PT,<br>648.35%, 10/25/21               | (i)          | 1,865   |
| Series 1997-50, Class SI, 1.20%, 4/25/23 (b)                  | 159          | 5,812   |
| Series G-10, Class S, 1,080.00%, 5/25/21 (b)                  | (i)          | 6,238   |
| Series G92-5, Class H, 9.00%, 1/25/22                         | 29           | 4,868   |
| Freddie Mac Mortgage-Backed Securities:                       |              |         |
| Series 176, Class M, 1,010.00%, 7/15/21                       | (i)          | 345     |
| Series 200, Class R, 196,031.73%,<br>12/15/22 (b)             | (i)          | 6       |
| Series 1043, Class H, 43.88%, 2/15/21 (b)                     | 4            | 8,049   |
| Series 1054, Class I, 859.64%, 3/15/21 (b)                    | (i)          | 635     |
| Series 1056, Class KD, 1,084.50%, 3/15/21                     | (i)          | 737     |
| Series 1148, Class E, 1,167.37%,<br>10/15/21 (b)              | (i)          | 1,618   |
| Series 1254, Class Z, 8.50%, 4/15/22                          | 56           | 12,298  |
| Series 2611, Class QI, 5.50%, 9/15/32                         | 1,798        | 213,585 |
|   |              | 265,895 |

|  |       |            |
|--|-------|------------|
| <b>Mortgage-Backed Securities 2.9%</b>                           |       |            |
| Fannie Mae Mortgage-Backed Securities:                           |       |            |
| 3.50%, 3/15/42 (I)   | 900   | 930,094    |
| 4.00%, 3/15/27 (I)   | 4,000 | 4,235,000  |
| 5.00%, 3/15/42 (I)   | 5,100 | 5,506,406  |
| 5.50%, 12/01/13 3/15/27 (I)                                      | 234   | 251,908    |
| 6.00%, 3/01/16 7/01/17   | 201   | 216,937    |
| Freddie Mac Mortgage-Backed Securities, 4.50%,<br>3/15/42 (I)    | 100   | 106,203    |
| Ginnie Mae Mortgage-Backed Securities, 8.00%,<br>4/15/24 6/15/25 | 19    | 20,256     |
|  |       | 11,266,804 |

|  |    |        |
|--|----|--------|
| <b>Principal Only Collateralized Mortgage Obligations 0.0%</b>           |    |        |
| Fannie Mae Mortgage-Backed Securities:                                   |    |        |
| Series 203, Class 1, 2/01/23   | 9  | 7,834  |
| Series 228, Class 1, 6/01/23   | 6  | 5,530  |
| Series 1993-51, Class E, 2/25/23   | 28 | 25,880 |
| Series 1993-70, Class A, 5/25/23   | 5  | 4,217  |
| Freddie Mac Mortgage-Backed Securities,<br>Series 1739, Class B, 2/15/24 | 9  | 9,444  |

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|                                      |  |            |
|--------------------------------------|--|------------|
| <b>Total US Government Sponsored</b> |  | 52,905     |
| <b>Agency Securities</b> 7.5%        |  | 29,443,846 |

**US Treasury Obligations**

|                           |        |            |
|---------------------------|--------|------------|
| <b>US Treasury Bonds:</b> |        |            |
| 8.13%, 8/15/21 (d)        | 1,550  | 2,407,465  |
| 8.00%, 11/15/21 (d)       | 7,065  | 10,955,166 |
| 6.25%, 8/15/23 (d)        | 4,990  | 7,081,903  |
| 3.50%, 2/15/39 (d)        | 2,865  | 3,117,925  |
| 4.25%, 5/15/39 (d)        | 2,770  | 3,413,593  |
| 4.38%, 5/15/40 (d)        | 8,225  | 10,344,220 |
| 4.75%, 2/15/41 (d)        | 1,621  | 2,162,009  |
| 4.38%, 5/15/41 (d)        | 805    | 1,013,797  |
| 3.13%, 11/15/41 (d)       | 30,800 | 31,055,055 |
| 3.13%, 2/15/42 (d)        | 5,810  | 5,853,575  |

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## Schedule of Investments (continued)

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

|  | Par<br>(000)                         | Value        |
|--|--------------------------------------|--------------|
| <b>US Treasury Obligations</b>   |                                      |              |
| US Treasury Inflation Indexed Bonds, 2.13%,<br>2/15/41 (d)   | USD 3,834                            | \$ 5,299,375 |
| US Treasury Notes:   |                                      |              |
| 0.25%, 1/31/14 (d)   | 1,425                                | 1,423,720    |
| 0.25%, 2/15/15 (d)   | 8,110                                | 8,069,450    |
| 2.50%, 4/30/15 (d)   | 1,035                                | 1,100,496    |
| 0.88%, 1/31/17 (d)   | 7,600                                | 7,607,129    |
| 2.25%, 7/31/18 (d)   | 2,495                                | 2,649,573    |
| 2.63%, 8/15/20 (d)   | 1,105                                | 1,186,580    |
| 2.00%, 2/15/22 (d)   | 27,400                               | 27,455,649   |
| <b>Total US Treasury Obligations 33.9%</b>   |                                      | 132,196,680  |
| <b>Warrants (m)</b>  | <b>Shares</b>                        |              |
| <b>Media 0.0%</b>  |                                      |              |
| Cumulus Media, Inc. (Expires 3/26/19)  | 14,710                               | 106,253      |
| <b>Software 0.0%</b>   |                                      |              |
| Bankruptcy Management Solutions, Inc.<br>(Expires 9/29/17)   | 101                                  |              |
| <b>Total Warrants 0.0%</b>   |                                      | 106,253      |
| <b>Total Long-Term Investments<br/>(Cost \$526,858,798) 142.0%</b>   |                                      | 554,155,149  |
| <b>Short-Term Securities</b>   |                                      |              |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.11% (n)(o)  | 1,301,628                            | 1,301,628    |
| <b>Total Short-Term Securities<br/>(Cost \$1,301,628) 0.3%</b>   |                                      | 1,301,628    |
| <b>Options Purchased</b>   | <b>Contracts</b>                     |              |
| <b>Exchange-Traded Put Options 0.0%</b>  |                                      |              |
| Eurodollar 1-Year Mid-Curve Options, Strike Price<br>USD 99.00, Expires 3/16/12  | 221                                  | 1,381        |
|  | <b>Notional<br/>Amount<br/>(000)</b> |              |
| <b>Over-the-Counter Interest Rate Call<br/>Swaptions 0.0%</b>  |                                      |              |
| Receive a fixed rate of 2.65% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/01/12,<br>Broker Bank of America NA         | USD 3,600                            | 68,975       |
| <b>Over-the-Counter Put Options 0.0%</b>   |                                      |              |
| EUR Put Option, Strike Price USD 1.30, Expires<br>3/21/12, Broker Citibank NA  | 8,810                                | 26,926       |
| <b>Over-the-Counter Interest Rate Put<br/>Swaptions 0.0%</b>   |                                      |              |
| Pay a fixed rate of 0.65% and receive a floating rate<br>based on 3-month LIBOR, Expires 7/05/12,<br>Broker Morgan Stanley & Co., Inc. | 60,300                               | 29,041       |

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|  |     | Notional<br>Amount<br>(000) |    | Value       |
|--|-----|-----------------------------|----|-------------|
| <b>Options Purchased</b>   |     |                             |    |             |
| <b>Over-the-Counter Interest Rate Put</b>  |     |                             |    |             |
| <b>Swaptions (concluded)</b>   |     |                             |    |             |
| Pay a fixed rate of 3.50% and receive a floating rate based on a 6-month EURIBOR, Expires 11/08/12, Broker Citibank NA |     |                             |    |             |
|  | EUR | 4,000                       | \$ | 42,282      |
|  |     |                             |    | 71,323      |
| <b>Total Options Purchased</b>   |     |                             |    |             |
| <b>(Cost \$693,661) 0.0%</b>   |     |                             |    |             |
|  |     |                             |    | 168,605     |
| <b>Total Investments Before TBA Sale</b>   |     |                             |    |             |
| <b>Commitments and Options Written</b>   |     |                             |    |             |
| <b>(Cost \$528,854,087) 142.3%</b>   |     |                             |    |             |
|  |     |                             |    | 555,625,382 |

|  |     | Par<br>(000) |  |              |
|--|-----|--------------|--|--------------|
| <b>TBA Sale Commitments (1)</b>                        |     |              |  |              |
| Fannie Mae Mortgage-Backed Securities:                 |     |              |  |              |
| 3.50%, 3/15/42   | USD | 900          |  | (930,094)    |
| 4.00%, 3/15/27   |     | 4,000        |  | (4,235,000)  |
| 5.00%, 3/15/42   |     | 5,100        |  | (5,506,406)  |
| 5.50%, 3/15/27   |     | 100          |  | (108,781)    |
| Freddie Mac Mortgage-Backed Securities, 4.50%, 3/14/42 |     |              |  |              |
|  |     | 100          |  | (106,203)    |
| <b>Total TBA Sale Commitments</b>                      |     |              |  |              |
| <b>(Proceeds \$10,884,848) (2.8)%</b>                  |     |              |  |              |
|  |     |              |  | (10,886,484) |

|   |  | Notional<br>Amount<br>(000) |  |             |
|---|--|-----------------------------|--|-------------|
| <b>Options Written</b>  |  |                             |  |             |
| <b>Over-the-Counter Interest Rate Call</b>  |  |                             |  |             |
| <b>Swaptions (0.3)%</b>   |  |                             |  |             |
| Pay a fixed rate of 2.45% and receive a floating rate based on 3-month LIBOR, Expires 02/22/13, Broker Citibank NA          |  |                             |  |             |
|   |  | 25,000                      |  | (963,423)   |
| Pay a fixed rate of 2.60% and receive a floating rate based on 3-month LIBOR, Expires 12/16/13, Broker JPMorgan Chase & Co. |  |                             |  |             |
|   |  | 1,500                       |  | (68,340)    |
| Pay a fixed rate of 2.09% and receive a floating rate based on 3-month LIBOR, Expires 01/03/14, Broker Deutsche Bank AG     |  |                             |  |             |
|   |  | 4,200                       |  | (107,326)   |
| Pay a fixed rate of 1.97% and receive a floating rate based on 3-month LIBOR, Expires 01/27/14, Broker Citibank NA          |  |                             |  |             |
|   |  | 2,400                       |  | (51,669)    |
|   |  |                             |  | (1,190,758) |
| <b>Over-the-Counter Put Options (0.0)%</b>  |  |                             |  |             |
| EUR Put Option, Strike Price USD 1.25, Expires 3/21/12, Broker Citibank NA  |  |                             |  |             |
|   |  | 8,810                       |  | (1,162)     |
| <b>Over-the-Counter Interest Rate Put</b>   |  |                             |  |             |
| <b>Swaptions (0.7)%</b>   |  |                             |  |             |
| Receive a fixed rate of 1.50% and pay a floating rate based on 3-month LIBOR, Expires 05/21/12, Broker JPMorgan Chase & Co. |  |                             |  |             |
|   |  | 125,400                     |  | (281,260)   |
| Receive a fixed rate of 1.55% and pay a floating rate based on 3-month LIBOR, Expires 07/30/12, Broker Citibank NA          |  |                             |  |             |
|   |  | 200,000                     |  | (925,440)   |
| Receive a fixed rate of 1.70% and pay a floating rate based on 3-month LIBOR, Expires 08/10/12,                             |  |                             |  |             |
|   |  | 3,900                       |  | (14,293)    |

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Broker Bank of America NA

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Schedule of Investments (continued)

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

|   | Notional<br>Amount<br>(000) | Value          |
|---|-----------------------------|----------------|
| <b>Options Written</b>  |                             |                |
| <b>Over-the-Counter Interest Rate Put Swaptions (concluded)</b>   |                             |                |
| Receive a fixed rate of 1.75% and pay a floating rate based on 3-month LIBOR, Expires 08/23/12, Broker RBC Capital Markets  | USD 142,500                 | \$ (531,682)   |
| Receive a fixed rate of 2.90% and pay a floating rate based on 3-month LIBOR, Expires 01/09/13, Broker Citibank NA          | 6,000                       | (89,089)       |
| Receive a fixed rate of 2.45% and pay a floating rate based on 3-month LIBOR, Expires 02/22/13, Broker Citibank NA          | 25,000                      | (766,157)      |
| Receive a fixed rate of 2.60% and pay a floating rate based on 3-month LIBOR, Expires 12/16/13, Broker JPMorgan Chase & Co. | 1,500                       | (69,139)       |
| Receive a fixed rate of 2.09% and pay a floating rate based on 3-month LIBOR, Expires 01/03/14, Broker Deutsche Bank AG     | 4,200                       | (79,290)       |
| Receive a fixed rate of 1.97% and pay a floating rate based on 3-month LIBOR, Expires 01/27/14, Broker Citibank NA          | 2,400                       | (53,147)       |
|   |                             | (2,809,497)    |
| <b>Total Options Written</b>  |                             |                |
| <b>(Premiums Received \$4,237,733) (1.0)%</b>   |                             | (4,001,417)    |
| <b>Total Investments, Net of TBA Sale</b>   |                             |                |
| <b>Commitments and Options Written 138.5%</b>   |                             | 540,737,481    |
| <b>Liabilities in Excess of Other Assets (38.5)%</b>  |                             | (150,305,611)  |
| <b>Net Assets 100.0%</b>  |                             | \$ 390,431,870 |

- (a) Security exempt from registration pursuant to Rule 144A under 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) Issuer filed for bankruptcy and/or is in default of interest payments.
- (f) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty               | Value        | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------|--------------|--|
| JPMorgan Chase & Co.       | \$ 589,263   | \$ (673)                                     |
| Bank of America NA         | \$ 782,513   | \$ 9,350                                     |
| Morgan Stanley & Co., Inc. | \$ 1,178,254 | \$ 34,254                                    |

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- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (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 is as of report date.
- (i) Amount is less than \$500.
- (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) Represents or includes a to-be-announced ( TBA ) transaction. Unsettled TBA transactions as of February 29, 2012 were as follows:

| Counterparty                       | Value          | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------------------|----------------|--|
| BNP Paribas SA                     | \$ 310,031     | \$ (141)                                     |
| Credit Suisse Securities (USA) LLC | \$ 5,506,406   | \$ 6,375                                     |
| Deutsche Bank AG                   |                | \$ (227)                                     |
| Goldman Sachs & Co.                | \$ 4,235,000   | \$ 535                                       |
| JPMorgan & Co.                     | \$ (5,816,438) | \$ (1,477)                                   |
| RBS Greenwich Capital              | \$ (4,235,000) | \$ (625)                                     |

- (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 1940 Act, as amended, were as follows:

| Affiliate  | Shares Held at<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income   |
|--|--------------------------------------|-----------------|--|----------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 3,706,293                            | (2,404,665)     | 1,301,628                              | \$ 2,775 |

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

Reverse repurchase agreements outstanding as of February 29, 2012 were as follows:

| Counterparty                             | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Net Closing<br>Amount | Face<br>Amount |
|--|------------------|---------------|------------------|-----------------------|----------------|
| Credit Suisse<br>Securities<br>(USA) LLC | 0.10%            | 11/29/11      | Open             | \$ 3,055,691          | \$ 3,054,350   |
| Deutsche Bank AG                         | 0.05%            | 12/05/11      | Open             | 928,836               | 928,725        |
| Barclays Capital, Inc.                   | 0.08%            | 1/11/12       | Open             | 3,466,348             | 3,465,963      |
| Barclays Capital, Inc.                   | 0.10%            | 1/11/12       | Open             | 5,369,921             | 5,369,175      |
| Deutsche Bank AG                         | 0.09%            | 1/11/12       | Open             | 1,110,176             | 1,110,037      |
| Deutsche Bank AG                         | 0.10%            | 1/11/12       | Open             | 1,402,695             | 1,402,500      |
| Deutsche Bank AG                         | (0.50)%          | 1/17/12       | Open             | 340,846               | 341,055        |
| BNP Paribas<br>Securities Corp.          | 0.14%            | 1/24/12       | Open             | 1,190,809             | 1,190,637      |
| BofA Merrill Lynch                       | 0.11%            | 1/25/12       | Open             | 10,996,116            | 10,994,906     |
| BofA Merrill Lynch                       | 0.12%            | 1/25/12       | Open             | 10,288,315            | 10,287,081     |

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|                                 |          |         |         |            |            |
|---------------------------------|----------|---------|---------|------------|------------|
| Deutsche Bank AG                | (12.00)% | 1/25/12 | Open    | 747,323    | 756,400    |
| BNP Paribas<br>Securities Corp. | 0.11%    | 1/30/12 | Open    | 994,197    | 994,087    |
| UBS Securities LLC              | (1.25)%  | 2/02/12 | Open    | 440,271    | 440,700    |
| BofA Merrill Lynch              | 0.12%    | 2/07/12 | Open    | 10,333,448 | 10,332,656 |
| BNP Paribas<br>Securities Corp. | 0.12%    | 2/07/12 | Open    | 2,657,379  | 2,657,175  |
| BofA Merrill Lynch              | 0.16%    | 2/10/12 | Open    | 1,425,127  | 1,425,000  |
| BNP Paribas<br>Securities Corp. | 0.20%    | 2/10/12 | Open    | 5,282,987  | 5,282,400  |
| Deutsche Bank AG                | 0.25%    | 2/13/12 | 3/12/12 | 1,924,454  | 1,924,080  |
| BofA Merrill Lynch              | 0.17%    | 2/16/12 | Open    | 889,059    | 889,000    |
| BofA Merrill Lynch              | 0.11%    | 2/16/12 | Open    | 2,421,979  | 2,421,875  |
| BNP Paribas<br>Securities Corp. | 0.15%    | 2/16/12 | Open    | 1,021,403  | 1,021,344  |
| BNP Paribas<br>Securities Corp. | 0.16%    | 2/16/12 | Open    | 2,160,117  | 2,159,983  |
| UBS Securities LLC              | 0.35%    | 2/28/12 | Open    | 1,988,539  | 1,988,500  |

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Schedule of Investments (continued)

BlackRock Income Opportunity Trust, Inc. (BNA)

Reverse repurchase agreements outstanding as of February 29, 2012 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount    |
|------------------------------------|---------------|------------|---------------|--------------------|----------------|
| BNP Paribas Securities Corp.       | 0.32%         | 2/28/12    | Open          | \$ 1,612,029       | \$ 1,612,000   |
| BofA Merrill Lynch                 | 0.12%         | 2/29/12    | 3/01/12       | 8,079,614          | 8,079,588      |
| BNP Paribas Securities Corp.       | 0.18%         | 2/29/12    | 3/01/12       | 15,578,003         | 15,577,925     |
| BNP Paribas Securities Corp.       | 0.19%         | 2/29/12    | 3/01/12       | 31,570,167         | 31,570,000     |
| BNP Paribas Securities Corp.       | 0.09%         | 2/29/12    | 3/01/12       | 7,628,519          | 7,628,500      |
| BNP Paribas Securities Corp.       | 0.32%         | 2/29/12    | Open          | 3,502,031          | 3,502,000      |
| Credit Suisse Securities (USA) LLC | (0.06)%       | 2/29/12    | 3/01/12       | 27,571,204         | 27,571,250     |
| <b>Total</b>                       |               |            |               | \$ 165,977,603     | \$ 165,978,892 |

Financial futures contracts purchased as of February 29, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Appreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 228       | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012  | \$ 32,297,625  | \$ 105,637              |

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts    | Issue                    | Exchange               | Expiration     | Notional Value | Unrealized Appreciation (Depreciation) |
|--------------|--------------------------|------------------------|----------------|----------------|--|
| 10           | Euro-Bund                | Eurex                  | March 2012     | EUR 1,398,900  | \$ (1,613)                             |
| 313          | Euro-Schatz              | Eurex                  | March 2012     | EUR 34,561,460 | (23,165)                               |
| 82           | 2-Year US Treasury Note  | Chicago Board of Trade | June 2012      | USD 18,059,219 | 4,969                                  |
| 98           | 5-Year US Treasury Note  | Chicago Board of Trade | June 2012      | USD 12,070,844 | 8,115                                  |
| 186          | 10-Year US Treasury Note | Chicago Board of Trade | June 2012      | USD 24,357,281 | 71,480                                 |
| 44           | 90-Day Euro-Dollar       | Chicago Mercantile     | March 2015     | USD 10,853,700 | (1,507)                                |
| 44           | 90-Day Euro-Dollar       | Chicago Mercantile     | June 2015      | USD 10,835,000 | (1,856)                                |
| 44           | 90-Day Euro-Dollar       | Chicago Mercantile     | September 2015 | USD 10,817,400 | (3,007)                                |
| 44           | 90-Day Euro-Dollar       | Chicago Mercantile     | December 2015  | USD 10,799,250 | (4,094)                                |
| <b>Total</b> |                          |                        |                |                | \$ 49,322                              |

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Foreign currency exchange contracts purchased as of February 29, 2012 were as follows:

| Currency Purchased |           | Currency Sold |           | Counterparty     | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|------------------|-----------------|--|
| USD                | 2,284,594 | EUR           | 1,699,000 | Deutsche Bank AG | 3/01/12         | \$ 21,018                              |
| GBP                | 824,000   | USD           | 1,308,504 | UBS AG           | 3/02/12         | 2,398                                  |
| EUR                | 863,000   | USD           | 1,142,931 | UBS AG           | 3/05/12         | 6,857                                  |
| GBP                | 693,000   | USD           | 1,103,178 | Deutsche Bank AG | 3/05/12         | (684)                                  |

Foreign currency exchange contracts purchased as of February 29, 2012 were as follows (concluded):

| Currency Purchased |            | Currency Sold |             | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|------------|---------------|-------------|----------------------------|-----------------|--|
| USD                | 1,137,468  | EUR           | 863,000     | Citibank NA                | 3/05/12         | \$ (12,320)                            |
| EUR                | 4,400,000  | CHF           | 5,302,792   | UBS AG                     | 3/06/12         | 584                                    |
| EUR                | 1,705,000  | USD           | 2,227,668   | Citibank NA                | 3/07/12         | 43,947                                 |
| EUR                | 1,475,000  | USD           | 1,926,672   | Royal Bank of Scotland Plc | 3/07/12         | 38,508                                 |
| USD                | 1,131,750  | EUR           | 863,000     | Citibank NA                | 3/07/12         | (18,046)                               |
| AUD                | 1,230,000  | USD           | 1,319,396   | UBS AG                     | 3/13/12         | (1,927)                                |
| NZD                | 1,720,000  | USD           | 1,429,019   | Royal Bank of Scotland Plc | 3/13/12         | 5,153                                  |
| USD                | 1,325,067  | AUD           | 1,230,000   | HSBC Bank USA              | 3/13/12         | 7,597                                  |
| USD                | 1,435,529  | NZD           | 1,720,000   | Morgan Stanley & Co., Inc. | 3/13/12         | 1,357                                  |
| USD                | 1,623,017  | EUR           | 1,225,000   | Citibank NA                | 3/14/12         | (9,126)                                |
| JPY                | 78,276,510 | USD           | 975,000     | Citibank NA                | 3/16/12         | (11,960)                               |
| JPY                | 74,259,462 | USD           | 925,000     | Deutsche Bank AG           | 3/16/12         | (11,382)                               |
| USD                | 1,950,000  | JPY           | 152,438,520 | BNP Paribas SA             | 3/16/12         | 74,541                                 |
| USD                | 1,102,885  | GBP           | 693,000     | Deutsche Bank AG           | 4/11/12         | 704                                    |
| USD                | 1,030,889  | GBP           | 672,500     | UBS AG                     | 4/11/12         | (38,687)                               |
| USD                | 1,308,135  | GBP           | 824,000     | UBS AG                     | 4/11/12         | (2,394)                                |
| PHP                | 53,125,804 | USD           | 1,250,000   | Royal Bank of Scotland Plc | 4/17/12         | (11,716)                               |
| SGD                | 1,551,750  | USD           | 1,250,000   | HSBC Bank USA              | 4/17/12         | (9,206)                                |
| USD                | 1,250,000  | PHP           | 53,387,500  | Morgan Stanley & Co., Inc. | 4/17/12         | 5,616                                  |
| USD                | 1,250,000  | SGD           | 1,577,488   | Standard Chartered Bank    | 4/17/12         | (11,374)                               |
| EUR                | 1,699,000  | USD           | 2,285,031   | Deutsche Bank AG           | 4/18/12         | (21,010)                               |
| USD                | 6,231,110  | EUR           | 4,851,000   | Citibank NA                | 4/18/12         | (233,143)                              |
| USD                | 2,068,312  | EUR           | 1,581,000   | Citibank NA                | 4/18/12         | (38,467)                               |
| USD                | 367,592    | EUR           | 280,000     | Citibank NA                | 4/18/12         | (5,525)                                |
| USD                | 189,234    | EUR           | 143,000     | Citibank NA                | 4/18/12         | (1,322)                                |
| USD                | 2,991,625  | EUR           | 2,275,000   | Deutsche Bank AG           | 4/18/12         | (39,951)                               |
| <b>Total</b>       |            |               |             |                            |                 | \$ (269,960)                           |

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

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| Issuer                    | Pay<br>Fixed<br>Rate | Counterparty              | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|----------------------|---------------------------|--------------------|-----------------------------|--|
| Radian Group, Inc.        | 5.00%                | Citibank NA               | 3/20/13            | \$ 1,400                    | \$ 188,478                                   |
| Radian Group, Inc.        | 5.00%                | Citibank NA               | 6/20/15            | \$ 1,400                    | 303,681                                      |
| The New York<br>Times Co. | 1.00%                | Barclays<br>Capital, Inc. | 12/20/16           | \$ 1,800                    | 385  |
| Sara Lee Corp.            | 1.00%                | JPMorgan<br>Chase & Co.   | 3/20/17            | \$ 415                      | (644)  |
| <b>Total</b>              |                      |                           |                    |                             | \$ 491,900                                   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Income Opportunity Trust, Inc. (BNA)

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

| Issuer                 | Receive Fixed Rate | Counterparty                       | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|------------------------|--------------------|------------------------------------|-----------------|-----------------------------------|------------------------------------|--|
| Aviva USA Corp.        | 1.00%              | Deutsche Bank AG                   | 5/25/12         | Not Rated                         | \$ 1,150                           | \$ (619)                               |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 12/20/14        | AA                                | \$ 3                               | 336                                    |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 3/20/15         | AA                                | \$ 10                              | 1,330                                  |
| MetLife, Inc.          | 1.00%              | Credit Suisse Securities (USA) LLC | 9/20/16         | A                                 | \$ 545                             | 21,042                                 |
| MetLife, Inc.          | 1.00%              | Deutsche Bank AG                   | 9/20/16         | A                                 | \$ 730                             | 22,969                                 |
| MetLife, Inc.          | 1.00%              | Goldman Sachs & Co.                | 9/20/16         | A                                 | \$ 500                             | 14,705                                 |
| MetLife, Inc.          | 1.00%              | Morgan Stanley & Co., Inc.         | 9/20/16         | A                                 | \$ 910                             | 27,286                                 |
| MetLife, Inc.          | 1.00%              | Morgan Stanley & Co., Inc.         | 9/20/16         | A                                 | \$ 275                             | 6,017                                  |
| Assured Guaranty Corp. | 5.00%              | Citibank NA                        | 12/20/16        | AA                                | \$ 146                             | 25,075                                 |
| MetLife, Inc.          | 1.00%              | Citibank NA                        | 12/20/16        | A                                 | \$ 298                             | 6,143                                  |
| MetLife, Inc.          | 1.00%              | Citibank NA                        | 12/20/16        | A                                 | \$ 290                             | 7,721                                  |
| <b>Total</b>           |                    |                                    |                 |                                   | \$                                 | 132,005                                |

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

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

Credit default swaps on traded indexes buy protection outstanding as of February 29, 2012 were as follows:

| Index  | Pay Fixed Rate | Counterparty                       | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--|----------------|------------------------------------|-----------------|-----------------------|-------------------------|
| Dow Jones CDX Emerging Markets Series 14                     | 5.00%          | Morgan Stanley & Co., Inc.         | 12/20/15        | \$ 990                | \$ (202)                |
| Dow Jones CDX North America Investment Grade Index Series 16 | 1.00%          | Credit Suisse Securities (USA) LLC | 6/20/16         | \$ 385                | (5,449)                 |
| Dow Jones CDX North  | 1.00%          | JPMorgan Chase & Co.               | 6/20/16         | \$ 22                 | (262)                   |

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|  |       |                               |         |    |       |          |
|--|-------|-------------------------------|---------|----|-------|----------|
| America<br>Investment Grade<br>Index Series 16                           |       |                               |         |    |       |          |
| Dow Jones<br>CDX North<br>America<br>Investment Grade<br>Index Series 16 | 1.00% | Morgan Stanley<br>& Co., Inc. | 6/20/16 | \$ | 1,488 | (29,000) |
| <b>Total</b>   |       |                               |         | \$ |       | (34,913) |

Credit default swaps on traded indexes sold protection outstanding as of February 29, 2012 were as follows:

| Index   | Receive<br>Fixed<br>Rate | Counterparty                  | Expiration<br>Date | Credit<br>Rating <sup>3</sup> | Notional<br>Amount<br>(000) <sup>4</sup> | Unrealized<br>Appreciation |
|---|--------------------------|-------------------------------|--------------------|-------------------------------|--|----------------------------|
| Markit CMBX<br>North America<br>AAA Index<br>Series 3 | 0.08%                    | Morgan Stanley<br>& Co., Inc. | 12/13/49           | AA                            | \$ 530                                   | \$ 29,222                  |
| Markit CMBX<br>North America<br>AAA Index<br>Series 4 | 0.35%                    | Morgan Stanley<br>& Co., Inc. | 2/17/51            | A                             | \$ 530                                   | 29,114                     |
| <b>Total</b>  |                          |                               |                    |                               | \$                                       | 58,336                     |

<sup>3</sup> Using S&P's rating of the underlying securities.

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

Interest rate swaps outstanding as of February 29, 2012 were as follows:

| Fixed<br>Rate      | Floating<br>Rate | Counterparty                             | Expiration<br>Date |     | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------|------------------|--|--------------------|-----|-----------------------------|--|
| 1.24% <sup>5</sup> | 6-month EURIBOR  | Citibank NA                              | 12/13/13           | EUR | 40,115 \$                   | 205,417                                      |
| 3.27% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 5/16/21            | USD | 910                         | (102,530)                                    |
| 2.45% <sup>5</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 10/27/21           | USD | 1,900                       | 72,786                                       |
| 3.02% <sup>5</sup> | 3-month LIBOR    | Goldman<br>Sachs & Co.                   | 1/17/22            | USD | 1,000                       | (2,991)                                      |
| 1.97% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 2/02/22            | USD | 2,200                       | 17,832                                       |
| 2.01% <sup>6</sup> | 3-month LIBOR    | Credit Suisse<br>Securities<br>(USA) LLC | 2/08/22            | USD | 600                         | 2,810  |
| 2.14% <sup>6</sup> | 3-month LIBOR    | JPMorgan<br>Chase & Co.                  | 2/24/22            | USD | 25,000                      | (188,488)                                    |
| 2.58% <sup>6</sup> | 6-month EURIBOR  | Deutsche<br>Bank AG                      | 11/11/41           | EUR | 350                         | (5,803)                                      |
| 2.68% <sup>6</sup> | 6-month EURIBOR  | Deutsche<br>Bank AG                      | 11/18/41           | EUR | 750                         | (33,737)                                     |
| 2.70% <sup>6</sup> | 3-month LIBOR    | Deutsche<br>Bank AG                      | 1/11/42            | USD | 1,000                       | 16,294                                       |
| 2.85% <sup>6</sup> | 3-month LIBOR    |  | 2/09/42            | USD | 1,100                       | (16,737)                                     |

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|                    |               |                         |         |     |        |           |
|--------------------|---------------|-------------------------|---------|-----|--------|-----------|
|                    |               | Bank of<br>America NA   |         |     |        |           |
| 2.86% <sup>6</sup> | 3-month LIBOR | JPMorgan<br>Chase & Co. | 2/24/42 | USD | 10,000 | (164,984) |
| <b>Total</b>       |               |                         |         |     | \$     | (200,131) |

<sup>5</sup> Trust pays a floating interest rate and receives fixed rate.

<sup>6</sup> Trust pays a fixed interest rate and receives floating rate.

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## Schedule of Investments (continued)

## BlackRock Income Opportunity Trust, Inc. (BNA)

Total return swaps outstanding as of February 29, 2012 were as follows:

| Reference Entity  | Trust Pays/<br>Receives the<br>Total Return<br>of the<br>Reference<br>Entity | Fixed<br>Rate      | Counterparty          | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|---|--|--------------------|-----------------------|--------------------|-----------------------------|----------------------------|
| Change in Return of the Consumer<br>Price Index for All Urban Consumers | Pays   | 2.18% <sup>1</sup> | Bank of<br>America NA | 10/06/21           | \$ 1,885                    | \$ (77,489)                |

<sup>1</sup> Net payment made at termination.

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                      | Level 1    | Level 2       | Level 3      | Total         |
|---------------------------------------|------------|---------------|--------------|---------------|
| <b>Assets:</b>                        |            |               |              |               |
| Investments:                          |            |               |              |               |
| Long-Term Investments:                |            |               |              |               |
| Asset-Backed Securities               |            | \$ 17,058,946 | \$ 5,643,507 | \$ 22,702,453 |
| Common Stocks                         |            |               | 3            | 3             |
| Corporate Bonds                       |            | 282,489,423   | 1,961,750    | 284,451,173   |
| Foreign Agency Obligations            |            | 12,366,973    |              | 12,366,973    |
| Non-Agency Mortgage-Backed Securities |            | 56,193,118    | 977,336      | 57,170,454    |
| Preferred Securities                  | \$ 627,099 | 6,676,856     |              | 7,303,955     |

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|   |           |             |        |             |
|---|-----------|-------------|--------|-------------|
| Taxable Municipal Bonds                   |           | 8,413,359   |        | 8,413,359   |
| US Government Sponsored Agency Securities |           | 29,406,450  | 37,396 | 29,443,846  |
| US Treasury Obligations                   |           | 132,196,680 |        | 132,196,680 |
| Warrants                                  |           | 106,253     |        | 106,253     |
| Short-Term Securities                     | 1,301,628 |             |        | 1,301,628   |

**Liabilities:**

|                      |              |                |              |                |
|----------------------|--------------|----------------|--------------|----------------|
| TBA Sale Commitments |              | (10,886,484)   |              | (10,886,484)   |
| <b>Total</b>         | \$ 1,928,727 | \$ 534,021,574 | \$ 8,619,992 | \$ 544,570,293 |

| Valuation Inputs                              | Level 1    | Level 2        | Level 3  | Total          |
|---|------------|----------------|----------|----------------|
| Derivative Financial Instruments <sup>2</sup> |            |                |          |                |
| <b>Assets:</b>                                |            |                |          |                |
| Credit contracts                              |            | \$ 683,504     |          | \$ 683,504     |
| Foreign currency exchange contracts           |            | 235,206        |          | 235,206        |
| Interest rate contracts                       | \$ 191,582 | 455,437        |          | 647,019        |
| <b>Liabilities:</b>                           |            |                |          |                |
| Credit contracts                              |            | (35,557)       | \$ (619) | (36,176)       |
| Foreign currency exchange contracts           |            | (479,402)      |          | (479,402)      |
| Interest rate contracts                       | (35,242)   | (4,515,525)    |          | (4,550,767)    |
| Other contracts                               |            | (77,489)       |          | (77,489)       |
| <b>Total</b>                                  | \$ 156,340 | \$ (3,733,826) | \$ (619) | \$ (3,578,105) |

- <sup>2</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.

See Notes to Financial Statements.



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Schedule of Investments (concluded)

BlackRock Income Opportunity Trust, Inc. (BNA)

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

|   | Asset-Backed Securities | Common Stocks | Corporate Bonds     | Non-Agency Mortgage-Backed Securities | Other Interests | Preferred Securities | US Government Sponsored Agency Securities | Warrants  | Total               |
|---|-------------------------|---------------|---------------------|---------------------------------------|-----------------|----------------------|---|-----------|---------------------|
| <b>Assets:</b>  |                         |               |                     |                                       |                 |                      |   |           |                     |
| Balance, as of August 31, 2011                                  | \$ 6,157,600            |               | \$ 2,004,500        | \$ 1,957,342                          | \$ 190          | \$ 109,421           | \$ 80,827                                 | \$ 83,088 | \$ 10,392,968       |
| Accrued discounts/premiums                                      | (177,723)               |               | 200                 | 347                                   |                 |                      | (85)                                      |           | (177,261)           |
| Net realized gain (loss)  | 93                      |               | 18,672              | 62,551                                |                 |                      | (1,460)                                   |           | 79,856              |
| Net change in unrealized appreciation/depreciation <sup>1</sup> | 127,598                 | \$ (1,782)    | (6,622)             | 8,724                                 | (190)           | (109,421)            | 249                                       | (1)       | 18,555              |
| Purchases   | 1,369,968               |               |                     | 974,152                               |                 |                      |   |           | 2,344,120           |
| Sales   | (514,765)               |               | (55,000)            | (1,673,110)                           |                 |                      | (42,135)                                  |           | (2,285,010)         |
| Transfers in <sup>2</sup>                                       |                         | 1,785         |                     |                                       |                 |                      |   |           | 1,785               |
| Transfers out <sup>2</sup>                                      | (1,319,264)             |               |                     | (352,670)                             |                 |                      |   | (83,087)  | (1,755,021)         |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 5,643,507</b>     | <b>\$ 3</b>   | <b>\$ 1,961,750</b> | <b>\$ 977,336</b>                     |                 |                      | <b>\$ 37,396</b>                          |           | <b>\$ 8,619,992</b> |

<sup>1</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at February 29, 2012 was \$139,625.

<sup>2</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the event.

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

|   | Credit Contracts |
|---|------------------|
| <b>Liabilities:</b>   |                  |
| Balance, as of August 31, 2011                                  | \$ (941)         |
| Accrued discounts/premiums                                      | (3,710)          |
| Net realized gain (loss)  |                  |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 322              |
| Purchases   |                  |
| Issuances <sup>4</sup>  |                  |
| Sales   |                  |
| Settlements <sup>5</sup>  | 3,710            |
| Transfers in <sup>6</sup>                                       |                  |
| Transfers out <sup>6</sup>                                      |                  |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ (619)</b>  |

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$322.

<sup>4</sup> Issuances represent upfront cash received on certain derivative financial instruments.

<sup>5</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

<sup>6</sup>

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The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Schedule of Investments February 29, 2012 (Unaudited)

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

|  | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>Asset-Backed Securities</b>   |              |                   |
| <b>Asset-Backed Securities 1.9%</b>  |              |                   |
| First Franklin Mortgage Loan Asset-Backed Certificates,<br>Series 2005-FF2, Class M2, 0.68%, 3/25/35 (a) | \$ 5,890     | \$ 5,506,437      |
| Freddie Mac Mortgage-Backed Securities, Series T-11,<br>Class A9, 2.64%, 1/25/28 (a)                     | 2,149        | 2,036,831         |
| Securitized Asset-Backed Receivables LLC Trust,<br>Series 2005-OP2, Class M1, 0.67%, 10/25/35 (a)        | 1,875        | 1,117,823         |
| Small Business Administration Participation<br>Certificates, Class 1:                                    |              |                   |
| Series 1996-20E, 7.60%, 5/01/16  | 136          | 146,617           |
| Series 1996-20G, 7.70%, 7/01/16  | 173          | 187,225           |
| Series 1996-20H, 7.25%, 8/01/16  | 211          | 227,952           |
| Series 1996-20K, 6.95%, 11/01/16   | 421          | 455,060           |
| Series 1997-20C, 7.15%, 3/01/17  | 161          | 175,684           |
|  |              | 9,853,629         |
| <b>Interest Only Asset-Backed Securities 0.2%</b>  |              |                   |
| Small Business Administration, Series 1, 2.00%,<br>4/01/15   | 1,522        | 13,314            |
| Sterling Bank Trust, Series 2004-2, Class Note,<br>2.08%, 3/30/30 (b)                                    | 4,561        | 353,497           |
| Sterling Coofs Trust, Series 1, 2.36%, 4/15/29   | 7,913        | 613,290           |
|  |              | 980,101           |
| <b>Total Asset-Backed Securities 2.1%</b>  |              | <b>10,833,730</b> |
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |                   |
| <b>Collateralized Mortgage Obligations 1.5%</b>  |              |                   |
| Collateralized Mortgage Obligation Trust, Series 40,<br>Class R, 0.58%, 4/01/18                          | 104          | 104               |
| Countrywide Alternative Loan Trust, Series 2005-28CB,<br>Class 1A5, 5.50%, 8/25/35                       | 398          | 395,261           |
| Deutsche ALT-A Securities, Inc. Alternate Loan Trust,<br>Series 2006-AR5, Class 22A, 5.50%, 10/25/21     | 948          | 921,104           |
| Homebanc Mortgage Trust, Series 2005-4, Class A1,<br>0.51%, 10/25/35 (a)                                 | 3,026        | 2,036,599         |
| JPMorgan Mortgage Trust, Series 2006-A7, Class 2A2,<br>2.73%, 1/25/37 (a)                                | 377          | 256,518           |
| Kidder Peabody Acceptance Corp., Series 1993-1,<br>Class A6, 16.17%, 8/25/23 (a)                         | 51           | 58,521            |
| Residential Funding Securities LLC, Series 2003-RM2,<br>Class A15, 8.50%, 5/25/33                        | 2,604        | 2,785,660         |
| Structured Adjustable Rate Mortgage Loan Trust,<br>Series 2004-11, Class A, 2.69%, 8/25/34 (a)           | 1,391        | 1,290,496         |
|  |              | 7,744,263         |
| <b>Commercial Mortgage-Backed Securities 0.7%</b>  |              |                   |
| Credit Suisse Mortgage Capital Certificates,<br>Series 2007-C2, Class A3, 5.54%, 1/15/49 (a)             | 2,420        | 2,634,814         |
| First Union-Lehman Brothers Commercial Mortgage,<br>Series 1997-C2, Class D, 7.12%, 11/18/29             | 726          | 731,710           |
|  |              | 3,366,524         |

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| <b>Interest Only Collateralized Mortgage Obligations 1.0%</b>                      |        |         |
|--|--------|---------|
| Bank of America Mortgage Securities Inc., Series 2003-3, Class 1A, 0.28%, 5/25/33  | 70,927 | 456,130 |
| CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A7, 6.00%, 5/25/37 (b) | 949    | 190,958 |
| Collateralized Mortgage Obligation Trust, Series 42, Class R, 6.00%, 10/01/14      | 1      | 64      |
| First Boston Mortgage Securities Corp., Series C, 10.97%, 4/25/17                  | 20     | 3,325   |

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |                      |              |
| <b>Interest Only Collateralized Mortgage Obligations (concluded)</b>                         |                      |              |
| GSMPS Mortgage Loan Trust, Series 1998-5, 0.15%, 6/19/27 (a)(b)                              | \$ 4,445             | \$ 99,206    |
| IndyMac INDX Mortgage Loan Trust, Series 2006-AR33, Class 4AX, 0.17%, 1/25/37                | 98,790               | 493,949      |
| MASTR Adjustable Rate Mortgages Trust, Series 2004-3, Class 3AX, 0.48%, 4/25/34 (a)          | 11,705               | 129,812      |
| Morgan Stanley Mortgage Loan Trust, Series 2004-3, Class 1AX, 5.00%, 5/25/19                 | 574                  | 56,215       |
| Sequoia Mortgage Trust, Series 2005-2, Class XA, 1.07%, 3/20/35 (a)                          | 38,308               | 622,507      |
| Structured Adjustable Rate Mortgage Loan Trust, Series 2006-7, Class 3AS, 2.51%, 8/25/36 (a) | 26,489               | 2,744,010    |
| Vendee Mortgage Trust, Series 1999-2, Class 1, 0.04%, 5/15/29 (a)                            | 53,927               | 93,574       |
|  |                      | 4,889,750    |

| <b>Interest Only Commercial Mortgage-Backed Securities 0.0%</b>                         |       |        |
|---|-------|--------|
| CS First Boston Mortgage Securities Corp., Series 1997-C1, Class AX, 1.24%, 6/20/29 (a) | 2,689 | 66,280 |
| Morgan Stanley Capital I, Series 1997-HF1, Class X, 2.19%, 7/15/29 (a)(b)               | 3     | 66,280 |

| <b>Principal Only Collateralized Mortgage Obligations 0.6%</b>                                      |       |                   |
|---|-------|-------------------|
| Countrywide Home Loan Mortgage Pass-Through Trust:  |       |                   |
| Series 2003-26, 8/25/33   | 1,540 | 1,200,127         |
| Series 2003-J4, 6/25/33   | 295   | 227,282           |
| Series 2003-J5, 7/25/33   | 425   | 323,569           |
| Series 2003-J8, 9/25/23   | 323   | 268,404           |
| Drexel Burnham Lambert CMO Trust, Class 1:  |       |                   |
| Series K, 9/23/17   | 9     | 8,263             |
| Series V, 9/01/18   | 28    | 27,688            |
| MASTR Asset Securitization Trust, Series 2004-3, Class 4A15, 3/25/34                                | 59    | 59,914            |
| Residential Asset Securitization Trust, Series 2005-A15, Class 1A8, 2/25/36                         | 812   | 601,257           |
| Structured Mortgage Asset Residential Trust, Series 1993-3C, Class CX, 4/25/24                      | 7     | 4,935             |
| Washington Mutual Alternative Mortgage Pass-Through Certificates, Series 2005-9, Class CP, 11/25/35 | 525   | 399,274           |
|   |       | 3,120,713         |
| <b>Total Non-Agency Mortgage-Backed Securities 3.8%</b>   |       | <b>19,187,530</b> |

|  |  |  |
|--|--|--|
| <b>US Government Sponsored Agency Securities</b> |  |  |
| <b>Agency Obligations 2.3%</b>                   |  |  |

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### Federal Housing Administration:

|  |        |            |
|--|--------|------------|
| General Motors Acceptance Corp. Projects,<br>Series 56, 7.43%, 1/11/22 | 209    | 202,760    |
| Merrill Projects, Series 54, 7.43%, 5/15/23                            | 2      | 1,868      |
| Reilly Projects, Series 41, 8.28%, 3/01/20                             | 220    | 216,223    |
| USGI Projects, Series 87, 7.43%, 12/01/22                              | 64     | 62,384     |
| USGI Projects, Series 99, 7.43%, 6/01/21                               | 4,285  | 4,156,080  |
| USGI Projects, Series 99, 7.43%, 10/01/23                              | 118    | 114,530    |
| USGI Projects, Series 99, 7.43%, 10/01/23                              | 40     | 38,764     |
| Resolution Funding Corp., 9.89%, 4/15/30 (c)                           | 13,000 | 7,164,560  |
|  |        | 11,957,169 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>US Government Sponsored Agency Securities</b> |              |            |
| <b>Collateralized Mortgage Obligations 14.1%</b> |              |            |
| Fannie Mae Mortgage-Backed Securities:           |              |            |
| Series 7, Class 2, 8.50%, 4/01/17                | \$ 4         | \$ 626     |
| Series 89, Class 2, 8.00%, 10/01/18              | 6            | 893        |
| Series 94, Class 2, 9.50%, 8/01/21               | 3            | 543        |
| Series 1991-46, Class S, 1.40%, 5/25/21 (a)      | 90           | 5,445      |
| Series 1991-87, Class S, 26.02%, 8/25/21 (a)     | 45           | 73,142     |
| Series 1993-199, Class SB, 7.25%, 10/25/23 (a)   | 648          | 75,652     |
| Series 1993-247, Class SN, 10.00%, 12/25/23      | 370          | 444,292    |
| Series 1997-90, Class M, 6.00%, 1/25/28          | 5,319        | 939,915    |
| Series 2003-32, Class VT, 6.00%, 9/25/15         | 1,869        | 1,879,408  |
| Series 2003-135, Class PB, 6.00%, 1/25/34        | 12,264       | 14,320,925 |
| Series 2004-29, Class HC, 7.50%, 7/25/30         | 217          | 218,353    |
| Series 2004-31, Class ZG, 7.50%, 5/25/34         | 3,292        | 4,175,113  |
| Series 2005-43, Class IC, 6.00%, 3/25/34         | 11           | 414        |
| Series 2005-73, Class DS, 16.92%, 8/25/35        | 2,817        | 3,754,142  |
| Series 2010-75, Class PI, 4.50%, 12/25/36        | 18,189       | 778,921    |
| Series G-7, Class S, 16.87%, 3/25/21 (a)         | (d)          | 4,044      |
| Series G-12, Class S, 0.61%, 5/25/21             | 360          | 9,407      |
| Series G-17, Class S, 0.58%, 6/25/21 (a)         | 233          | 4,950      |
| Series G-33, Class PV, 1.08%, 10/25/21           | 258          | 5,048      |
| Series G-49, Class S, 5.55%, 12/25/21 (a)        | (d)          | 1,696      |
| Series G-50, Class G, 1.16%, 12/25/21            | 14           | 26         |
| Series G92-5, Class H, 9.00%, 1/25/22 (a)        | 74           | 12,517     |
| Series G92-12, Class C, 1.00%, 2/25/22 (a)       | 221          | 4,225      |
| Freddie Mac Mortgage-Backed Securities:          |              |            |
| Series 19, Class F, 8.50%, 3/15/20               | 74           | 80,798     |
| Series 19, Class R, 9.76%, 3/15/20 (a)           | 7            | 1,184      |
| Series 40, Class K, 6.50%, 8/17/24               | 330          | 387,803    |
| Series 75, Class R, 9.50%, 1/15/21               | (d)          | 2          |
| Series 75, Class RS, 27.16%, 1/15/21             | (d)          | 2          |
| Series 173, Class R, 9.00%, 11/15/21 (a)(b)      | 12           | 12         |
| Series 173, Class RS, 9.20%, 11/15/21            | (d)          | 12         |
| Series 192, Class U, 28.43%, 2/15/22             | 2            | 61         |
| Series 1043, Class H, 0.02%, 2/15/21             | 8,061        | 17,282     |
| Series 1054, Class I, 0.44%, 3/15/21 (a)         | 65           | 1,364      |
| Series 1057, Class J, 1.01%, 3/15/21             | 90           | 2,322      |
| Series 1160, Class F, 39.10%, 10/15/21           | 17           | 32,905     |
| Series 1691, Class B, 0.01%, 3/15/24 (a)         | 855          | 769,398    |
| Series 1739, Class B, 0.01%, 2/15/24 (a)         | 21           | 21,163     |
| Series 1961, Class H, 6.50%, 5/15/12             | (d)          | 9          |
| Series 2218, Class Z, 8.50%, 3/15/30             | 5,055        | 5,925,506  |
| Series 2542, Class UC, 6.00%, 12/15/22           | 7,131        | 7,818,545  |
| Series 2545, Class NI, 5.50%, 3/15/22            | 13           | 4          |
| Series 2611, Class QI, 5.50%, 9/15/32            | 3,282        | 389,822    |
| Series 2758, Class KV, 5.50%, 5/15/23            | 9,171        | 10,461,494 |
| Series 2861, Class AX, 10.43%, 9/15/34           | 188          | 204,883    |
| Series 2927, Class BZ, 5.50%, 2/15/35 (a)        | 3,047        | 3,693,804  |
| Series 3744, Class PI, 4.00%, 6/15/39            | 20,506       | 3,271,719  |
| Series 3745, Class IN, 4.00%, 1/15/35 (a)        | 45,716       | 5,432,246  |
| Series T-8, Class A10, 0.01%, 11/15/28           | 134          | 124,989    |

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|   |        |            |
|---|--------|------------|
| Ginnie Mae Mortgage-Backed Securities:    |        |            |
| Series 1996-5, Class Z, 7.00%, 5/16/26    | 506    | 550,825    |
| Series 2001-33, Class PB, 6.50%, 7/20/31  | 854    | 878,590    |
| Series 2004-89, Class PE, 6.00%, 10/20/34 | 3,392  | 3,696,683  |
| Series 2010-101, Class YT, 2.00%, 8/16/13 | 55,905 | 1,291,449  |
|   |        | 71,764,573 |

**Federal Deposit Insurance Corporation**

**Guaranteed 0.8%**

|  |       |           |
|--|-------|-----------|
| Citigroup Funding, Inc., 1.88%, 10/22/12 | 3,800 | 3,841,439 |
|--|-------|-----------|

**US Government Sponsored Agency Securities**

**Interest Only Collateralized Mortgage**

**Obligations 2.4%**

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| Fannie Mae Mortgage-Backed Securities:        |              |              |
| 4.50%, 4/01/41                                | \$ 2,833     | \$ 3,020,987 |
| Series 1991-99, Class L, 0.93%, 8/25/21 (a)   | 101          | 2,323        |
| Series 1990-123, Class M, 1.01%, 10/25/20 (a) | 21           | 549          |
| Series 1990-136, Class S, 0.02%, 11/25/20 (a) | 11,080       | 16,188       |
| Series 1991-139, Class PT, 0.65%, 10/25/21    | 222          | 4,004        |
| Series 1999-W4, 6.50%, 12/25/28               | 318          | 65,263       |
| Series 2010-74, Class DI, 5.00%, 12/25/39     | 53,610       | 5,670,295    |
| Series 2010-126, Class UI, 5.50%, 10/25/40    | 20,130       | 3,346,901    |
| Series G-10, Class S, 0.58%, 5/25/21          | 498          | 13,393       |
| Freddie Mac Mortgage-Backed Securities:       |              |              |
| Series 176, Class M, 1.01%, 7/15/21           | 29           | 738          |
| Series 200, Class R, 98.52%, 12/15/22 (a)     | 1            | 13           |
| Series 1056, Class KD, 1.08%, 3/15/21         | 56           | 1,582        |
| Series 1148, Class E, 0.59%, 10/15/21 (a)     | 157          | 3,474        |
| Series 2559, 0.50%, 8/15/30 (a)               | 184          | 2,048        |
| Series 2949, 5.50%, 3/15/35                   | 551          | 16,246       |
|   |              | 12,164,004   |

**Mortgage-Backed Securities 114.2%**

|   |         |             |
|---|---------|-------------|
| Fannie Mae Mortgage-Backed Securities:  |         |             |
| 3.50%, 3/12/42 (a)(f)                   | 7,000   | 7,234,063   |
| 4.00%, 1/01/41 3/12/42 (f)              | 28,946  | 30,492,471  |
| 4.50%, 9/01/25 5/01/41 (a)(e)(f)(g)     | 184,804 | 199,113,616 |
| 5.00%, 1/01/23 3/12/42 (e)(f)           | 114,254 | 123,974,012 |
| 5.50%, 3/15/27 3/12/42 (f)(g)           | 131,633 | 143,767,947 |
| 5.97%, 8/01/16                          | 3,036   | 3,477,631   |
| 6.00%, 3/12/42 (a)(f)                   | 21,800  | 23,980,000  |
| 6.50%, 12/01/37 10/01/39                | 42,365  | 47,806,950  |
| 7.50%, 2/01/22                          |         | (d) 117     |
| 9.50%, 1/01/19                          | 3       | 2,731       |
| Freddie Mac Mortgage-Backed Securities: |         |             |
| 2.48%, 1/01/35 (a)                      | 201     | 202,955     |
| 2.55%, 10/01/34 (a)                     | 301     | 315,637     |
| 2.73%, 11/01/17                         | 14      | 14,556      |
| 5.00%, 4/01/22 (g)                      | 926     | 997,618     |
| 9.00%, 9/01/20 (g)                      | 48      | 54,117      |
| Ginnie Mae Mortgage-Backed Securities:  |         |             |
| 7.50%, 1/15/23 2/15/23                  | 214     | 232,876     |
| 8.00%, 10/15/22 1/15/27                 | 70      | 79,833      |
| 9.00%, 4/15/20                          | 8       | 8,242       |
|   |         | 581,755,372 |

**Principal Only Collateralized Mortgage**

**Obligations 0.2%**

|  |    |        |
|--|----|--------|
| Fannie Mae Mortgage-Backed Securities: |    |        |
| Series 203, Class 1, 2/01/23           | 18 | 16,818 |
| Series 228, Class 1, 6/01/23           | 13 | 11,873 |
| Series 1991-7, Class J, 2/25/21        | 18 | 16,789 |
| Series 1993-51, Class E, 2/25/23       | 61 | 55,564 |

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|  |     |               |
|--|-----|---------------|
| Series 1993-70, Class A, 5/25/23                       | 10  | 9,055         |
| Series 1996-68, Class SC, 1/25/24                      | 304 | 11,486        |
| Series 1997-50, Class SI, 4/25/23                      | 318 | 11,623        |
| Series 1999-W4, Class PO, 2/25/29                      | 160 | 147,625       |
| Series 2002-13, Class PR, 3/25/32                      | 344 | 320,256       |
| Series G92-60, Class SB, 10/25/22                      | 226 | 9,992         |
| Series G93-2, Class KB, 1/25/23                        | 153 | 139,338       |
| Freddie Mac Mortgage-Backed Securities:                |     |               |
| Series 1418, Class M, 11/15/22                         | 64  | 59,304        |
| Series 1571, Class G, 8/15/23                          | 395 | 374,563       |
|  |     | 1,184,286     |
| <b>Total US Government Sponsored Agency Securities</b> |     | <b>134.0%</b> |
|  |     | 682,666,843   |

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>US Treasury Obligations</b>             |              |              |
| US Treasury Bonds:                         |              |              |
| 6.25%, 8/15/23 (e)                         | \$ 3,320     | \$ 4,711,807 |
| 4.38%, 5/15/40 (e)                         | 36,985       | 46,514,407   |
| 4.38%, 5/15/41                             | 1,220        | 1,536,437    |
| 3.13%, 11/15/41 (e)                        | 21,985       | 22,167,057   |
| 3.13%, 2/15/42 (e)                         | 3,300        | 3,324,750    |
| US Treasury Notes:                         |              |              |
| 0.88%, 2/28/17 (e)                         | 10,010       | 10,010,000   |
| 2.25%, 7/31/18 (e)                         | 3,375        | 3,584,091    |
| 2.63%, 8/15/20 (g)                         | 1,455        | 1,562,420    |
| 2.00%, 11/15/21 (e)                        | 19,815       | 19,914,075   |
| 2.00%, 2/15/22 (e)                         | 5,700        | 5,711,577    |
| 4.50%, 8/15/39                             | 330          | 422,710      |
| <b>Total US Treasury Obligations</b> 23.5% |              | 119,459,331  |
| <b>Total Long-Term Investments</b>         |              | 832,147,434  |
| <b>(Cost \$806,654,230)</b> 163.4%         |              |              |

**Short-Term Securities**

**Borrowed Bond Agreements** 3.6%

|   |       |            |
|---|-------|------------|
| Barclays Capital, Inc., 0.11%, Open             | 6,508 | 6,508,450  |
| BNP Paribas SA:                                 |       |            |
| 0.03%, Open                                     | 7,316 | 7,315,594  |
| 0.11%, Open                                     | 937   | 937,250    |
| Credit Suisse Securities (USA) LLC, 0.04%, Open | 3,774 | 3,774,412  |
|   |       | 18,535,706 |

**Shares**

**Money Market Fund** 0.4%

|   |           |            |
|---|-----------|------------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.11% (h)(i) | 2,011,437 | 2,011,437  |
| <b>Total Short-Term Securities</b>  |           | 20,547,143 |
| <b>(Cost \$20,547,143)</b> 4.0%   |           |            |

**Options Purchased**

**Exchange-Traded Put Options** 0.0%

|   |     |       |
|---|-----|-------|
| Eurodollar 1-Year Mid-Curve Options, Strike Price<br>USD 99.00, Expires 3/16/12 | 300 | 1,875 |
|---|-----|-------|

**Notional  
Amount  
(000)**

**Over-the-Counter Interest Rate Call**

**Swaptions** 0.4%

|  |          |           |
|--|----------|-----------|
| Receive a fixed rate of 5.47% and pay a floating rate<br>based on 3-month LIBOR, Expires 5/19/12,<br>Broker Bank of America NA | \$ 6,200 | 1,913,717 |
|--|----------|-----------|

**Over-the-Counter Interest Rate Put**

**Swaptions** 0.0%

|  |       |   |
|--|-------|---|
| Pay a fixed rate of 5.47% and receive a floating rate<br>based on 3-month LIBOR, Expires 5/19/12,<br>Broker Bank of America NA | 6,200 | 1 |
|--|-------|---|

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|  |                                      |                |
|--|--------------------------------------|----------------|
| <b>Total Options Purchased</b><br>(Cost \$581,573) 0.4%  |                                      | 1,915,593      |
| <b>Total Investments Before Borrowed Bonds,<br/>TBA Sale Commitments and Options Written</b><br>(Cost \$827,782,946) 167.8%        |                                      | 854,610,170    |
|  | <b>Par<br/>(000)</b>                 | <b>Value</b>   |
| <b>Borrowed Bonds</b>  |                                      |                |
| US Treasury Notes:   |                                      |                |
| 1.25%, 2/15/14   | \$ 920                               | \$ (936,854)   |
| 2.13%, 2/29/16   | 6,845                                | (7,242,866)    |
| 1.00%, 10/31/16  | 3,765                                | (3,799,118)    |
| 0.88%, 12/31/16  | 6,460                                | (6,470,601)    |
| <b>Total Borrowed Bonds</b><br>(Proceeds \$17,950,636) (3.6)%  |                                      | (18,449,439)   |
| <b>TBA Sale Commitments (f)</b>  |                                      |                |
| Fannie Mae Mortgage-Backed Securities:   |                                      |                |
| 4.50%, 9/01/25 5/01/41   | 13,800                               | (14,764,922)   |
| 5.50%, 3/15/27 3/12/42   | 1,000                                | (1,077,813)    |
| <b>Total TBA Sale Commitments</b><br>(Proceeds \$15,827,469) (3.1)%  |                                      | (15,842,735)   |
|  | <b>Notional<br/>Amount<br/>(000)</b> |                |
| <b>Options Written</b>   |                                      |                |
| <b>Over-the-Counter Interest Rate Call<br/>Swaptions (0.4)%</b>  |                                      |                |
| Pay a fixed rate of 5.33% and receive a floating rate<br>based on 3-month LIBOR, Expires 7/17/13,<br>Broker JPMorgan Chase Bank NA | 11,100                               | (1,921,819)    |
| <b>Over-the-Counter Interest Rate Put<br/>Swaptions (0.0)%</b>   |                                      |                |
| 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 | 11,100                               | (7,528)        |
| <b>Total Options Written</b><br>(Premiums Received \$706,515) (0.4)%   |                                      | (1,929,347)    |
| <b>Total Investments, Net of TBA Sale Commitments,<br/>Options Written and Borrowed Bonds 160.7%</b>                               |                                      | 818,388,649    |
| <b>Liabilities in Excess of Other Assets (60.7)%</b>   |                                      | (308,976,810)  |
| <b>Net Assets 100.0%</b>   |                                      | \$ 509,411,839 |

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Amount is less than \$500.
- (e) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (f) Represents or includes a to-be-announced ( TBA ) transaction. Unsettled TBA transactions as of February 29, 2012 were as follows:

|                     |              |                                    |
|---------------------|--------------|------------------------------------|
| <b>Counterparty</b> | <b>Value</b> | <b>Unrealized<br/>Appreciation</b> |
|---------------------|--------------|------------------------------------|

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|                                    |    |              | (Depreciation) |
|------------------------------------|----|--------------|----------------|
| BNP Paribas Securities Corp.       | \$ | 1,550,156    | \$ (703)       |
| Credit Suisse Securities (USA) LLC | \$ | 89,523,232   | \$ 229,888     |
| Goldman Sachs & Co.                | \$ | 51,393,125   | \$ 59,500      |
| Greenwich Financial Services       | \$ | 4,786,375    | \$ 12,375      |
| JPMorgan Chase Securities, Inc.    | \$ | 29,443,860   | \$ (32,456)    |
| UBS AG                             | \$ | (15,842,735) | \$ (15,266)    |

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Income Trust, Inc. (BKT)

- (h) 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>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income   |
|---|--------------------------------------|-----------------|--|----------|
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class | 3,958,025                            | (1,946,588)     | 2,011,437                              | \$ 3,309 |

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

Reverse repurchase agreements outstanding as of February 29, 2012 were as follows:

| Counterparty                          | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Net<br>Closing<br>Amount | Face<br>Amount |
|---------------------------------------|------------------|---------------|------------------|--------------------------|----------------|
| Credit Suisse<br>Securities (USA) LLC | 0.13%            | 11/29/11      | Open             | \$ 10,313,462            | \$ 10,310,000  |
| BNP Paribas<br>Securities Corp.       | 0.10%            | 12/12/11      | Open             | 3,595,174                | 3,594,375      |
| Barclays Capital, Inc.                | 0.12%            | 1/25/12       | Open             | 4,764,772                | 4,764,200      |
| Deutsche Bank AG                      | 0.25%            | 2/13/12       | 3/12/12          | 58,639,041               | 58,632,119     |
| Merrill Lynch &<br>Co., Inc.          | 0.14%            | 2/16/12       | Open             | 36,885,421               | 36,883,413     |
| BNP Paribas<br>Securities Corp.       | 0.09%            | 2/29/12       | 3/01/12          | 7,131,662                | 7,131,644      |
| BNP Paribas<br>Securities Corp.       | 0.15%            | 2/29/12       | 3/01/12          | 3,017,538                | 3,017,525      |
| BNP Paribas<br>Securities Corp.       | 0.18%            | 2/29/12       | 3/01/12          | 2,065,535                | 2,065,525      |
| BNP Paribas<br>Securities Corp.       | 0.19%            | 2/29/12       | 3/01/12          | 22,534,744               | 22,534,625     |
| Credit Suisse<br>Securities (USA) LLC | (0.06)%          | 2/29/12       | 3/01/12          | 5,735,615                | 5,735,625      |
| Credit Suisse<br>Securities (USA) LLC | 0.22%            | 2/29/12       | 3/01/12          | 9,022,555                | 9,022,500      |
| <b>Total</b>                          |                  |               |                  | \$ 163,705,519           | \$ 163,691,551 |

Financial futures contracts purchased as of February 29, 2012 were as follows:

| Contracts | Issue                 | Exchange              | Expiration | Notional<br>Value | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------|-----------------------|-----------------------|------------|-------------------|--|
| 143       | 90-Day<br>Euro Dollar | Chicago<br>Mercantile | March 2012 | \$ 35,585,550     | \$ 193,444                                   |
| 155       | 90-Day<br>Euro Dollar | Chicago<br>Mercantile | June 2012  | \$ 38,575,625     | 202,748                                      |
| 43        |                       |                       | June 2012  | \$ 6,761,750      | (71,664)                                     |

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|              | Ultra Long US Treasury Bond | Chicago Board of Trade |                |               |              |
|--------------|-----------------------------|------------------------|----------------|---------------|--------------|
| 169          | 90-Day Euro Dollar          | Chicago Mercantile     | September 2012 | \$ 42,042,975 | 388,660      |
| 98           | 90-Day Euro Dollar          | Chicago Mercantile     | December 2012  | \$ 24,368,925 | 138,779      |
| 70           | 90-Day Euro Dollar          | Chicago Mercantile     | March 2013     | \$ 17,401,125 | 285,170      |
| 96           | 90-Day Euro Dollar          | Chicago Mercantile     | June 2013      | \$ 23,854,800 | 246,645      |
| 90           | 90-Day Euro Dollar          | Chicago Mercantile     | September 2013 | \$ 22,353,750 | 410,415      |
| 57           | 90-Day Euro Dollar          | Chicago Mercantile     | December 2013  | \$ 14,148,113 | 325,018      |
| 26           | 90-Day Euro Dollar          | Chicago Mercantile     | March 2014     | \$ 6,449,300  | 159,779      |
| <b>Total</b> |                             |                        |                |               | \$ 2,278,994 |

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts    | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|--------------|--------------------------|------------------------|------------|----------------|--|
| 65           | 2-Year US Treasury Note  | Chicago Board of Trade | March 2012 | \$ 14,327,422  | \$ 908                                 |
| 65           | 5-Year US Treasury Note  | Chicago Board of Trade | March 2012 | \$ 8,014,297   | (123)                                  |
| 107          | 2-Year US Treasury Note  | Chicago Board of Trade | June 2012  | \$ 23,565,078  | 646                                    |
| 638          | 5-Year US Treasury Note  | Chicago Board of Trade | June 2012  | \$ 78,583,656  | 10,468                                 |
| 1,595        | 10-Year US Treasury Note | Chicago Board of Trade | June 2012  | \$ 208,870,234 | 417,644                                |
| 19           | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012  | \$ 2,691,469   | 1,541                                  |
| <b>Total</b> |                          |                        |            |                | \$ 431,084                             |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Income Trust, Inc. (BKT)

Interest rate swaps outstanding as of February 29, 2012 were as follows:

| Fixed Rate         | Floating Rate | Counterparty                   | Expiration Date | Notional Amount (\$'000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------------------------|-----------------|--------------------------|--|
| 0.83% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 7/27/12         | \$ 34,800                | \$ (46,198)                            |
| 4.88% <sup>2</sup> | 3-month LIBOR | UBS AG                         | 3/21/15         | \$ 25,000                | 3,169,816                              |
| 4.87% <sup>2</sup> | 3-month LIBOR | Goldman Sachs & Co.            | 1/25/16         | \$ 5,500                 | 846,219                                |
| 2.81% <sup>2</sup> | 3-month LIBOR | Citibank NA                    | 2/06/16         | \$ 20,000                | 1,502,661                              |
| 5.72% <sup>2</sup> | 3-month LIBOR | JPMorgan Chase & Co.           | 7/14/16         | \$ 5,400                 | 1,100,858                              |
| 5.51% <sup>2</sup> | 3-month LIBOR | Bank of America NA             | 8/03/17         | \$ 95,147                | 21,513,217                             |
| 5.88% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 6/25/18         | \$ 31,930                | (8,206,426)                            |
| 4.55% <sup>1</sup> | 3-month LIBOR | Citibank NA                    | 9/26/18         | \$ 41,600                | (8,018,615)                            |
| 4.31% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 10/01/18        | \$ 66,000                | (11,751,455)                           |
| 3.09% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 3/09/19         | \$ 25,700                | (2,595,134)                            |
| 3.17% <sup>2</sup> | 3-month LIBOR | Bank of America NA             | 3/18/19         | \$ 4,700                 | 497,639                                |
| 2.88% <sup>2</sup> | 3-month LIBOR | Deutsche Bank AG               | 4/01/19         | \$ 39,700                | 3,424,487                              |
| 3.23% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 5/19/19         | \$ 2,800                 | (308,662)                              |
| 3.90% <sup>1</sup> | 3-month LIBOR | Barclays Bank Plc              | 6/05/19         | \$ 20,000                | (3,144,251)                            |
| 3.55% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 8/18/19         | \$ 15,000                | (2,123,592)                            |
| 5.49% <sup>1</sup> | 3-month LIBOR | JPMorgan Chase & Co.           | 10/28/19        | \$ 1,400                 | (344,322)                              |
| 3.67% <sup>2</sup> | 3-month LIBOR | Deutsche Bank AG               | 12/21/19        | \$ 2,000                 | 286,138                                |
| 5.67% <sup>1</sup> | 3-month LIBOR | Citigroup Global Markets, Inc. | 1/06/20         | \$ 12,400                | (3,124,695)                            |
| 3.88% <sup>2</sup> | 3-month LIBOR | Morgan Stanley & Co., Inc.     | 1/07/20         | \$ 7,600                 | 1,209,220                              |
| 3.71% <sup>1</sup> | 3-month LIBOR | Deutsche Bank AG               | 2/11/20         | \$ 6,200                 | (907,074)                              |
| 3.73% <sup>2</sup> | 3-month LIBOR | Morgan Stanley & Co., Inc.     | 5/05/20         | \$ 28,000                | 4,160,854                              |
| 3.43% <sup>2</sup> | 3-month LIBOR | JPMorgan Chase & Co.           | 3/28/21         | \$ 7,000                 | 1,179,276                              |
| 5.41% <sup>2</sup> | 3-month LIBOR | JPMorgan Chase & Co.           | 8/15/22         | \$ 9,565                 | 3,028,274                              |
| <b>Total</b>       |               |                                |                 |                          | \$ 1,348,235                           |

<sup>1</sup> Trust pays a fixed interest rate and receives floating rate.

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<sup>2</sup> Trust pays a 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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                          | Level 1             | Level 2               | Level 3             | Total                 |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                            |                     |                       |                     |                       |
| Investments:                              |                     |                       |                     |                       |
| Long-Term Investments:                    |                     |                       |                     |                       |
| Asset-Backed Securities                   |                     | \$ 9,853,629          | \$ 980,101          | \$ 10,833,730         |
| Non-Agency Mortgage-Backed Securities     |                     | 15,197,084            | 3,990,446           | 19,187,530            |
| US Government Sponsored Agency Securities |                     | 677,873,009           | 4,793,834           | 682,666,843           |
| US Treasury Obligations                   |                     | 119,459,331           |                     | 119,459,331           |
| Short-Term Securities:                    |                     |                       |                     |                       |
| Borrowed Bond Agreements                  |                     | 18,535,706            |                     | 18,535,706            |
| Money Market Funds                        | \$ 2,011,437        |                       |                     | 2,011,437             |
| <b>Liabilities:</b>                       |                     |                       |                     |                       |
| Investments:                              |                     |                       |                     |                       |
| Long-Term Investments:                    |                     |                       |                     |                       |
| Borrowed Bonds                            |                     | (18,449,439)          |                     | (18,449,439)          |
| TBA Sale Commitments                      |                     | (15,842,735)          |                     | (15,842,735)          |
| <b>Total</b>                              | <b>\$ 2,011,437</b> | <b>\$ 806,626,585</b> | <b>\$ 9,764,381</b> | <b>\$ 818,402,403</b> |

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Income Trust, Inc. (BKT)

| Valuation Inputs                              | Level 1      | Level 2       | Level 3 | Total         |
|---|--------------|---------------|---------|---------------|
| Derivative Financial Instruments <sup>1</sup> |              |               |         |               |
| <b>Assets:</b>                                |              |               |         |               |
| Interest rate contracts                       | \$ 2,783,740 | \$ 43,832,377 |         | \$ 46,616,117 |
| <b>Liabilities:</b>                           |              |               |         |               |
| Interest rate contracts                       | (71,787)     | (42,499,771)  |         | (42,571,558)  |
| <b>Total</b>                                  | \$ 2,711,953 | \$ 1,332,606  |         | \$ 4,044,559  |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts and options. Swaps and financial futures 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 to determine fair value:

|   | Asset-Backed Securities | Non-Agency Mortgage-Backed Securities | US Government Sponsored Agency Securities | Total         |
|---|-------------------------|---------------------------------------|---|---------------|
| <b>Assets/Liabilities:</b>                                  |                         |                                       |   |               |
| Balance, as of August 31, 2011                              | \$ 1,038,628            | \$ 4,432,527                          | \$ 5,096,285                              | \$ 10,567,440 |
| Accrued discounts/premiums                                  | (174,660)               | 44,578                                | (6,945)                                   | (137,027)     |
| Realized gain (loss)  |                         | 18                                    | (5,921)                                   | (5,903)       |
| Change in unrealized appreciation/depreciation <sup>2</sup> | 116,133                 | (359,799)                             | (132,173)                                 | (375,839)     |
| Purchases   |                         |                                       |   |               |
| Sales   |                         | (126,878)                             | (157,412)                                 | (284,290)     |
| Transfers in <sup>3</sup>                                   |                         |                                       |   |               |
| Transfers out <sup>3</sup>                                  |                         |                                       |   |               |
| <b>Balance, as of February 29, 2012</b>                     | \$ 980,101              | \$ 3,990,446                          | \$ 4,793,834                              | \$ 9,764,381  |

<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 investments still held at February 29, 2012 was \$(342,222).

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

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivatives at the beginning and/or end of the period in relation to net assets.

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Schedule of Investments February 29, 2012 (Unaudited)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

| Common Stocks   | Shares  | Value      |
|---|---------|------------|
| <b>Auto Components 2.0%</b>   |         |            |
| Delphi Automotive Plc   | 4,902   | \$ 156,861 |
| Delphi Automotive Plc (180-day lock)<br>(Acquired 11/17/11, cost \$364,196) (a) | 60,671  | 1,892,938  |
|   |         | 2,049,799  |
| <b>Media 0.0%</b>   |         |            |
| Adelphia Recovery Trust   | 396,568 | 5,949      |
| <b>Software 0.0%</b>  |         |            |
| Bankruptcy Management Solutions, Inc. (b)                                       | 56      | 2          |
| <b>Total Common Stocks 2.0%</b>   |         | 2,055,750  |

| Corporate Bonds  | Par<br>(000) |         |
|--|--------------|---------|
| <b>Airlines 0.7%</b>   |              |         |
| Continental Airlines, Inc., Series 2010-1-A, 4.75%,<br>1/12/21             | USD 427      | 445,819 |
| Delta Air Lines, Inc., Series 2009-1-B, Class B,<br>9.75%, 12/17/16        | 39           | 41,064  |
| US Airways Pass-Through Trust, Series 2011-1,<br>Class C, 10.88%, 10/22/14 | 250          | 250,000 |
|  |              | 736,883 |
| <b>Auto Components 1.0%</b>  |              |         |
| Baker Corp. International, Inc., 8.25%, 6/01/19 (c)                        | 75           | 76,500  |
| Dana Holding Corp., 6.75%, 2/15/21   | 180          | 194,850 |
| Icahn Enterprises LP, 8.00%, 1/15/18                                       | 670          | 710,200 |
|  |              | 981,550 |
| <b>Beverages 0.3%</b>  |              |         |
| Crown European Holdings SA (c):  |              |         |
| 7.13%, 8/15/18   | EUR 142      | 202,666 |
| 7.13%, 8/15/18   | 50           | 71,361  |
|  |              | 274,027 |
| <b>Biotechnology 0.1%</b>  |              |         |
| QHP Pharma, 10.25%, 3/15/15 (c)  | USD 84       | 84,602  |
| <b>Building Products 0.4%</b>  |              |         |
| Building Materials Corp. of America, 7.00%,<br>2/15/20 (c)                 | 210          | 227,850 |
| Momentive Performance Materials, Inc., 11.50%,<br>12/01/16                 | 175          | 147,000 |
|  |              | 374,850 |
| <b>Capital Markets 3.3%</b>  |              |         |
| Credit Suisse AG, 5.40%, 1/14/20   | 480          | 482,192 |
| E*Trade Financial Corp.:   |              |         |
| 12.50%, 11/30/17   | 390          | 454,350 |
| Series A, 0.0%, 8/31/19 (d)(e)   | 100          | 94,625  |
| The Goldman Sachs Group, Inc.:   |              |         |
| 5.38%, 3/15/20   | 225          | 230,564 |
| 6.00%, 6/15/20   | 250          | 265,762 |
| 5.75%, 1/24/22   | 525          | 548,016 |
| KKR Group Finance Co., 6.38%, 9/29/20 (c)                                  | 170          | 180,917 |
| Merrill Lynch & Co., Inc., 6.05%, 5/16/16                                  | 325          | 335,576 |
| Morgan Stanley, 5.50%, 7/28/21   | 725          | 718,305 |

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3,310,307

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Corporate Bonds</b>                                      |     |              |            |
| <b>Chemicals 3.2%</b>                                       |     |              |            |
| American Pacific Corp., 9.00%, 2/01/15                      | USD | 180          | \$ 175,500 |
| Ashland, Inc., 9.13%, 6/01/17                               |     | 120          | 134,700    |
| Celanese US Holdings LLC, 5.88%, 6/15/21                    |     | 650          | 708,500    |
| Chemtura Corp., 7.88%, 9/01/18                              |     | 140          | 150,500    |
| Ecolab, Inc., 4.35%, 12/08/21                               |     | 125          | 137,325    |
| Hexion U.S. Finance Corp., 9.00%, 11/15/20                  |     | 115          | 112,700    |
| Huntsman International LLC, 8.63%, 3/15/21                  |     | 65           | 73,450     |
| Ineos Finance Plc, 8.38%, 2/15/19 (c)                       |     | 100          | 106,250    |
| Kinove German Bondco GmbH, 10.00%, 6/15/18                  | EUR | 109          | 149,214    |
| Kraton Polymers LLC, 6.75%, 3/01/19                         | USD | 45           | 45,900     |
| Lyondell Chemical Co., 11.00%, 5/01/18                      |     | 769          | 843,342    |
| LyondellBasell Industries NV, 6.00%, 11/15/21 (c)           |     | 65           | 71,338     |
| Nexo Solutions LLC, 8.38%, 3/01/18 (c)                      |     | 65           | 65,000     |
| PolyOne Corp., 7.38%, 9/15/20                               |     | 80           | 86,200     |
| Solutia, Inc., 7.88%, 3/15/20                               |     | 225          | 263,812    |
| TPC Group LLC, 8.25%, 10/01/17                              |     | 125          | 131,875    |
|   |     |              | 3,255,606  |
| <b>Commercial Banks 4.6%</b>                                |     |              |            |
| Amsouth Bank, Series AI, 4.85%, 4/01/13                     |     | 650          | 652,437    |
| Barclays Bank Plc, 5.14%, 10/14/20                          |     | 450          | 432,807    |
| CIT Group, Inc.:  |     |              |            |
| 7.00%, 5/02/16 (c)  |     | 599          | 599,749    |
| 7.00%, 5/02/17 (c)  |     | 1,555        | 1,556,944  |
| 5.50%, 2/15/19 (c)  |     | 220          | 224,675    |
| HSBC Bank USA NA, 4.88%, 8/24/20                            |     | 550          | 553,710    |
| Lloyds TSB Bank Plc, 5.80%, 1/13/20 (c)                     |     | 100          | 103,646    |
| Standard Chartered Plc, 5.50%, 11/18/14 (c)                 |     | 450          | 483,840    |
|   |     |              | 4,607,808  |
| <b>Commercial Services &amp; Supplies 1.5%</b>              |     |              |            |
| ACCO Brands Corp., 10.63%, 3/15/15                          |     | 195          | 215,233    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)             |     | 204          | 213,498    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18 (c)          |     | 11           | 10,450     |
| Mobile Mini, Inc., 7.88%, 12/01/20                          |     | 135          | 141,750    |
| RSC Equipment Rental, Inc.:                                 |     |              |            |
| 10.00%, 7/15/17 (c)   |     | 240          | 278,400    |
| 8.25%, 2/01/21  |     | 310          | 328,600    |
| Verisure Holding AB:  |     |              |            |
| 8.75%, 9/01/18  | EUR | 100          | 134,562    |
| 8.75%, 12/01/18   |     | 100          | 118,575    |
| West Corp., 8.63%, 10/01/18                                 | USD | 50           | 54,875     |
|   |     |              | 1,495,943  |
| <b>Construction &amp; Engineering 0.1%</b>                  |     |              |            |
| Boart Longyear Management Property Ltd., 7.00%, 4/01/21 (c) |     | 75           | 78,938     |
| <b>Construction Materials 0.1%</b>                          |     |              |            |
| Xefin Lux SCA, 8.00%, 6/01/18 (c)                           | EUR | 100          | 133,896    |
| <b>Consumer Finance 1.0%</b>                                |     |              |            |
| Credit Acceptance Corp., 9.13%, 2/01/17                     | USD | 185          | 197,025    |
| Ford Motor Credit Co. LLC:                                  |     |              |            |
| 7.80%, 6/01/12  |     | 250          | 253,082    |
| 5.88%, 8/02/21  |     | 447          | 498,839    |
| Toll Brothers Finance Corp., 5.88%, 2/15/22                 |     | 85           | 88,165     |
|   |     |              | 1,037,111  |
| <b>Containers &amp; Packaging 1.0%</b>                      |     |              |            |
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (c)           | EUR | 260          | 365,450    |
| Berry Plastics Corp., 8.25%, 11/15/15                       | USD | 45           | 48,375     |

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|   |     |     |         |
|---|-----|-----|---------|
| GCL Holdings SCA, 9.38%, 4/15/18 (c)                      | EUR | 100 | 118,907 |
| Graphic Packaging International, Inc., 7.88%,<br>10/01/18 | USD | 135 | 148,500 |
| Sealed Air Corp., 8.38%, 9/15/21 (c)                      |     | 95  | 108,775 |
| Smurfit Kappa Acquisitions, 7.75%, 11/15/19 (c)           | EUR | 130 | 186,622 |
|   |     |     | 976,629 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Corporate Bonds</b>   |     |              |            |
| <b>Diversified Financial Services 6.6%</b>                     |     |              |            |
| Ally Financial, Inc.:  |     |              |            |
| 8.30%, 2/12/15   | USD | 400          | \$ 442,000 |
| 6.25%, 12/01/17  |     | 30           | 31,009     |
| 8.00%, 3/15/20   |     | 60           | 67,950     |
| 7.50%, 9/15/20   |     | 550          | 605,687    |
| 8.00%, 11/01/31  |     | 1,060        | 1,170,747  |
| Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16             |     | 137          | 146,076    |
| Bank of America Corp.:   |     |              |            |
| 4.50%, 4/01/15   |     | 375          | 380,685    |
| 6.50%, 8/01/16   |     | 410          | 443,183    |
| 5.63%, 10/14/16  |     | 100          | 104,398    |
| 5.75%, 12/01/17  |     | 240          | 251,238    |
| Boparan Holdings Ltd., 9.75%, 4/30/18 (c)                      | EUR | 100          | 131,098    |
| Citigroup, Inc., 8.13%, 7/15/39                                | USD | 55           | 71,856     |
| DPL, Inc., 7.25%, 10/15/21 (c)                                 |     | 290          | 330,600    |
| FCE Bank Plc, 4.75%, 1/19/15                                   | EUR | 308          | 420,603    |
| Itau Unibanco Holding SA, 5.75%, 1/22/21 (c)                   | USD | 225          | 233,438    |
| JPMorgan Chase & Co.:  |     |              |            |
| 5.50%, 10/15/40  |     | 175          | 189,015    |
| 5.60%, 7/15/41   |     | 175          | 194,481    |
| Macquarie Bank, Ltd., 5.00%, 2/22/17 (c)                       |     | 200          | 202,140    |
| Reynolds Group Issuer, Inc. (c):                               |     |              |            |
| 8.75%, 10/15/16  |     | 306          | 325,890    |
| 8.75%, 10/15/16  | EUR | 150          | 212,335    |
| 7.88%, 8/15/19   | USD | 180          | 197,100    |
| 6.88%, 2/15/21   |     | 140          | 148,400    |
| WMG Acquisition Corp. (c):                                     |     |              |            |
| 9.50%, 6/15/16   |     | 45           | 49,725     |
| 11.50%, 10/01/18   |     | 210          | 223,125    |
|  |     |              | 6,572,779  |
| <b>Diversified Telecommunication Services 2.8%</b>             |     |              |            |
| Broadview Networks Holdings, Inc., 11.38%, 9/01/12             |     | 155          | 139,112    |
| Level 3 Financing, Inc., 8.13%, 7/01/19 (c)                    |     | 1,310        | 1,372,225  |
| Qwest Communications International, Inc., 7.50%,<br>2/15/14    |     | 600          | 602,100    |
| Qwest Corp., 8.38%, 5/01/16                                    |     | 270          | 316,200    |
| Telefonica Emisiones SAU, 5.46%, 2/16/21                       |     | 250          | 251,485    |
| Videotron Ltee, 5.00%, 7/15/22 (c)                             |     | 50           | 50,125     |
| Windstream Corp.:  |     |              |            |
| 8.13%, 8/01/13   |     | 45           | 48,263     |
| 7.88%, 11/01/17  |     | 65           | 73,288     |
|  |     |              | 2,852,798  |
| <b>Electric Utilities 2.1%</b>                                 |     |              |            |
| Progress Energy, Inc., 7.75%, 3/01/31                          |     | 1,000        | 1,390,988  |
| The Tokyo Electric Power Co., Inc., 4.50%, 3/24/14             | EUR | 600          | 747,020    |
|  |     |              | 2,138,008  |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b> |     |              |            |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            | USD | 45           | 53,550     |
| <b>Energy Equipment &amp; Services 4.2%</b>                    |     |              |            |

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|  |     |           |
|--|-----|-----------|
| Antero Resources Finance Corp., 7.25%, 8/01/19 (c)           | 60  | 63,300    |
| Calfrac Holdings LP, 7.50%, 12/01/20 (c)                     | 145 | 145,000   |
| Compagnie Générale de Géophysique-Veritas, 7.75%,<br>5/15/17 | 55  | 57,269    |
| Energy Transfer Partners LP, 5.20%, 2/01/22                  | 600 | 645,874   |
| EnSCO Plc, 4.70%, 3/15/21                                    | 425 | 465,318   |
| Forbes Energy Services Ltd., 9.00%, 6/15/19                  | 130 | 128,050   |
| Frac Tech Services LLC, 7.63%, 11/15/18 (c)                  | 640 | 683,200   |
| Key Energy Services, Inc., 6.75%, 3/01/21                    | 160 | 167,600   |
| MEG Energy Corp., 6.50%, 3/15/21 (c)                         | 330 | 353,100   |
| Oil States International, Inc., 6.50%, 6/01/19               | 115 | 123,625   |
| Peabody Energy Corp., 6.25%, 11/15/21 (c)                    | 970 | 1,016,075 |
| Transocean, Inc., 6.38%, 12/15/21                            | 310 | 365,846   |
|  |     | 4,214,257 |

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>   |              |            |
| <b>Food Products 1.1%</b>                                      |              |            |
| Darling International, Inc., 8.50%, 12/15/18                   | USD 90       | \$ 101,250 |
| Kraft Foods, Inc.:   |              |            |
| 6.50%, 8/11/17   | 600          | 728,179    |
| 6.13%, 8/23/18   | 250          | 301,397    |
|  |              | 1,130,826  |
| <b>Gas Utilities 0.2%</b>                                      |              |            |
| El Paso Natural Gas Co., 8.63%, 1/15/22                        | 145          | 179,408    |
| <b>Health Care Equipment &amp; Supplies 1.5%</b>               |              |            |
| DJO Finance LLC:   |              |            |
| 10.88%, 11/15/14   | 830          | 844,525    |
| 7.75%, 4/15/18   | 40           | 34,400     |
| Fresenius Medical Care US Finance, Inc., 6.50%,<br>9/15/18 (c) | 38           | 42,085     |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (c)              | 410          | 473,550    |
| Teleflex, Inc., 6.88%, 6/01/19                                 | 105          | 113,137    |
|  |              | 1,507,697  |
| <b>Health Care Providers &amp; Services 5.9%</b>               |              |            |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                  | 150          | 153,375    |
| ConvaTec Healthcare E SA, 7.38%, 12/15/17 (c)                  | EUR 200      | 276,452    |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (c)                          | GBP 200      | 313,805    |
| HCA, Inc.:   |              |            |
| 8.50%, 4/15/19   | USD 40       | 44,800     |
| 6.50%, 2/15/20   | 730          | 782,925    |
| 7.88%, 2/15/20   | 35           | 38,588     |
| 7.25%, 9/15/20   | 805          | 877,450    |
| Health Management Associates, Inc., 7.38%,<br>1/15/20 (c)      | 220          | 229,350    |
| IASIS Healthcare LLC, 8.38%, 5/15/19                           | 270          | 257,850    |
| INC Research LLC, 11.50%, 7/15/19 (c)                          | 145          | 139,200    |
| inVentiv Health, Inc., 10.00%, 8/15/18 (c)                     | 50           | 45,500     |
| Omnicare, Inc., 7.75%, 6/01/20                                 | 260          | 289,575    |
| Symbion, Inc., 8.00%, 6/15/16                                  | 125          | 120,625    |
| Tenet Healthcare Corp.:  |              |            |
| 10.00%, 5/01/18  | 665          | 774,725    |
| 6.25%, 11/01/18 (c)  | 120          | 127,950    |
| 8.88%, 7/01/19   | 195          | 222,300    |
| WellPoint, Inc., 5.95%, 12/15/34                               | 1,000        | 1,195,272  |
|  |              | 5,889,742  |
| <b>Health Care Technology 0.8%</b>                             |              |            |
| IMS Health, Inc., 12.50%, 3/01/18 (c)                          | 660          | 785,400    |
| <b>Hotels, Restaurants &amp; Leisure 1.4%</b>                  |              |            |
| Caesars Entertainment Operating Co., Inc., 11.25%,<br>6/01/17  | 140          | 153,300    |

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|   |     |           |
|---|-----|-----------|
| Diamond Resorts Corp., 12.00%, 8/15/18                            | 310 | 327,050   |
| El Dorado Resorts LLC, 8.63%, 6/15/19 (c)                         | 50  | 47,625    |
| MGM Resorts International:  |     |           |
| 10.38%, 5/15/14   | 750 | 853,125   |
| 11.13%, 11/15/17  | 65  | 73,938    |
| Tropicana Entertainment LLC, Series WI, 9.63%,<br>12/15/14 (b)(f) | 50  |           |
|   |     | 1,455,038 |
| <b>Household Durables 1.2%</b>                                    |     |           |
| Beazer Homes USA, Inc., 12.00%, 10/15/17                          | 280 | 305,200   |
| Ryland Group, Inc., 6.63%, 5/01/20                                | 130 | 132,600   |
| Standard Pacific Corp.:   |     |           |
| 10.75%, 9/15/16   | 565 | 649,044   |
| 8.38%, 1/15/21  | 105 | 111,562   |
|   |     | 1,198,406 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Corporate Bonds</b>                                       |              |            |
| <b>Household Products 0.1%</b>                               |              |            |
| Ontex IV SA, 7.50%, 4/15/18 (c)                              | EUR 100      | \$ 122,572 |
| <b>Independent Power Producers &amp; Energy Traders 2.1%</b> |              |            |
| AES Corp., 7.38%, 7/01/21 (c)                                | USD 230      | 262,200    |
| Calpine Corp. (c):   |              |            |
| 7.25%, 10/15/17  | 80           | 84,800     |
| 7.50%, 2/15/21   | 35           | 37,975     |
| 7.88%, 1/15/23   | 100          | 109,000    |
| Energy Future Holdings Corp., 10.00%, 1/15/20                | 1,220        | 1,319,125  |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 203          | 220,509    |
| QEP Resources, Inc., 5.38%, 10/01/22 (g)                     | 75           | 75,750     |
|  |              | 2,109,359  |
| <b>Industrial Conglomerates 1.4%</b>                         |              |            |
| Sequa Corp. (c):   |              |            |
| 11.75%, 12/01/15   | 460          | 488,750    |
| 13.50%, 12/01/15   | 854          | 911,921    |
|  |              | 1,400,671  |
| <b>Insurance 3.1%</b>  |              |            |
| American International Group, Inc., 6.40%, 12/15/20          | 1,130        | 1,260,141  |
| CNO Financial Group, Inc., 9.00%, 1/15/18 (c)                | 130          | 139,913    |
| Genworth Financial, Inc., 7.63%, 9/24/21                     | 150          | 155,629    |
| Lincoln National Corp., 8.75%, 7/01/19                       | 575          | 733,093    |
| Metropolitan Life Global Funding I, 5.13%, 6/10/14 (c)       | 250          | 269,853    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (c)            | 90           | 80,325     |
| Prudential Financial, Inc., 5.38%, 6/21/20                   | 400          | 451,203    |
|  |              | 3,090,157  |
| <b>IT Services 1.5%</b>                                      |              |            |
| First Data Corp.:  |              |            |
| 7.38%, 6/15/19 (c)   | 130          | 131,463    |
| 8.88%, 8/15/20 (c)   | 195          | 211,087    |
| 8.25%, 1/15/21 (c)   | 155          | 149,962    |
| 12.63%, 1/15/21  | 445          | 467,250    |
| SunGard Data Systems, Inc.:                                  |              |            |
| 7.38%, 11/15/18  | 280          | 301,000    |
| 7.63%, 11/15/20  | 220          | 237,600    |
|  |              | 1,498,362  |
| <b>Machinery 0.7%</b>  |              |            |
| Navistar International Corp.:                                |              |            |
| 3.00%, 10/15/14 (e)  | 210          | 236,512    |
| 8.25%, 11/01/21  | 54           | 59,063     |
| SPX Corp., 6.88%, 9/01/17                                    | 65           | 72,150     |
| UR Financing Escrow Corp. (c)(g):                            |              |            |
| 5.75%, 7/15/18   | 50           | 51,375     |
| 7.38%, 5/15/20   | 125          | 128,281    |
| 7.63%, 4/15/22   | 115          | 119,025    |
|  |              | 666,406    |
| <b>Media 15.3%</b>   |              |            |

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|  |       |           |
|--|-------|-----------|
| Affinion Group, Inc., 7.88%, 12/15/18                      | 290   | 259,550   |
| AMC Networks, Inc., 7.75%, 7/15/21 (c)                     | 80    | 89,200    |
| CCH II LLC, 13.50%, 11/30/16                               | 289   | 332,843   |
| CCO Holdings LLC, 6.50%, 4/30/21                           | 750   | 796,875   |
| Checkout Holding Corp., 10.68%, 11/15/15 (c)(d)            | 245   | 110,250   |
| Cinemark USA, Inc., 8.63%, 6/15/19                         | 60    | 66,750    |
| Clear Channel Communications, Inc., 9.00%,<br>3/01/21      | 210   | 193,200   |
| Clear Channel Worldwide Holdings, Inc.:<br>9.25%, 12/15/17 | 374   | 409,530   |
| Series B, 9.25%, 12/15/17                                  | 1,899 | 2,088,900 |

| Corporate Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Media (concluded)</b>  |              |            |
| DIRECTV Holdings LLC, 6.00%, 8/15/40  | USD 175      | \$ 200,760 |
| DISH DBS Corp., 7.00%, 10/01/13   | 201          | 215,824    |
| Gray Television, Inc., 10.50%, 6/29/15  | 270          | 285,187    |
| Intelsat Luxembourg SA:<br>11.25%, 2/04/17  | 380          | 391,875    |
| 11.50%, 2/04/17 (h)   | 100          | 103,000    |
| Interactive Data Corp., 10.25%, 8/01/18   | 340          | 383,350    |
| The Interpublic Group of Cos., Inc., 10.00%,<br>7/15/17                           | 45           | 51,525     |
| Kabel BW Erste Beteiligungs GmbH, 7.50%,<br>3/15/19 (c)                           | EUR 237      | 337,858    |
| Kabel Deutschland Vertrieb und Service<br>GmbH & Co. KG, 6.50%, 6/29/18 (c)       | 125          | 175,712    |
| Live Nation Entertainment, Inc., 8.13%,<br>5/15/18 (c)                            | USD 150      | 159,562    |
| Musketeer GmbH, 9.50%, 3/15/21 (c)  | EUR 150      | 215,833    |
| NAI Entertainment Holdings LLC, 8.25%,<br>12/15/17 (c)                            | USD 270      | 297,000    |
| NBC Universal Media LLC, 6.40%, 4/30/40   | 530          | 671,588    |
| The New York Times Co., 6.63%, 12/15/16   | 500          | 521,250    |
| News America, Inc., 6.20%, 12/15/34   | 1,500        | 1,740,270  |
| Nielsen Finance LLC, 7.75%, 10/15/18  | 765          | 851,062    |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (c)   | GBP 100      | 157,101    |
| ProQuest LLC, 9.00%, 10/15/18 (c)   | USD 130      | 115,050    |
| TCI Communications, Inc., 7.88%, 2/15/26  | 1,000        | 1,318,770  |
| Time Warner Cable, Inc., 5.88%, 11/15/40  | 410          | 465,550    |
| Unitymedia GmbH:<br>9.63%, 12/01/19   | EUR 50       | 71,944     |
| 9.63%, 12/01/19 (c)   | 190          | 273,388    |
| Unitymedia Hessen GmbH & Co. KG<br>(FKA UPC Germany GmbH):<br>8.13%, 12/01/17 (c) | USD 200      | 217,000    |
| 8.13%, 12/01/17   | EUR 210      | 300,767    |
| UPC Holding BV, 9.88%, 4/15/18 (c)  | USD 100      | 111,000    |
| UPCB Finance II Ltd., 6.38%, 7/01/20 (c)  | EUR 292      | 387,086    |
| Virgin Media Secured Finance Plc:<br>6.50%, 1/15/18                               | USD 200      | 218,000    |
| 7.00%, 1/15/18  | GBP 50       | 85,909     |
| Ziggo Bond Co. BV, 8.00%, 5/15/18 (c)   | EUR 165      | 232,470    |
| Ziggo Finance BV, 6.13%, 11/15/17 (c)   | 295          | 407,767    |
|   |              | 15,310,556 |
| <b>Metals &amp; Mining 3.2%</b>   |              |            |
| Barrick Gold Corp., 2.90%, 5/30/16  | USD 225      | 237,167    |
| Barrick North America Finance LLC, 5.70%,<br>5/30/41                              | 250          | 295,663    |
| Goldcorp, Inc., 2.00%, 8/01/14 (e)  | 220          | 278,850    |



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|   |     |       |           |
|---|-----|-------|-----------|
| <b>New World Resources NV:</b>                |     |       |           |
| 7.88%, 5/01/18                                | EUR | 65    | 87,899    |
| 7.88%, 5/01/18 (c)                            |     | 76    | 102,774   |
| <b>Newmont Mining Corp.:</b>                  |     |       |           |
| 5.13%, 10/01/19                               | USD | 225   | 255,097   |
| Series A, 1.25%, 7/15/14 (e)                  |     | 200   | 276,000   |
| Novelis, Inc., 8.75%, 12/15/20                |     | 1,195 | 1,332,425 |
| Taseko Mines Ltd., 7.75%, 4/15/19             |     | 150   | 144,000   |
| Vedanta Resources Plc, 8.25%, 6/07/21 (c)     |     | 200   | 184,500   |
|   |     |       | 3,194,375 |
| <b>Multiline Retail 1.2%</b>                  |     |       |           |
| Dollar General Corp., 11.88%, 7/15/17 (i)     |     | 1,135 | 1,245,674 |
| <b>Oil, Gas &amp; Consumable Fuels 11.8%</b>  |     |       |           |
| Alpha Natural Resources, Inc., 6.25%, 6/01/21 |     | 145   | 140,650   |
| <b>Anadarko Petroleum Corp.:</b>              |     |       |           |
| 5.95%, 9/15/16                                |     | 365   | 422,569   |
| 6.38%, 9/15/17                                |     | 75    | 90,024    |
| Berry Petroleum Co., 8.25%, 11/01/16          |     | 100   | 104,250   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value     |
|---|--------------|-----------|
| <b>Corporate Bonds</b>  |              |           |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>              |              |           |
| Bill Barrett Corp., 9.88%, 7/15/16                              | USD 10       | \$ 11,050 |
| Carrizo Oil & Gas, Inc., 8.63%, 10/15/18                        | 50           | 52,000    |
| Chesapeake Midstream Partners LP, 6.13%,<br>7/15/22 (c)         | 100          | 103,500   |
| Chesapeake Oilfield Operating LLC, 6.63%,<br>11/15/19 (c)       | 60           | 61,200    |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (c)                   | 99           | 105,930   |
| Concho Resources, Inc., 7.00%, 1/15/21                          | 150          | 168,750   |
| Consol Energy, Inc., 8.25%, 4/01/20                             | 710          | 773,900   |
| Continental Resources, Inc., 7.13%, 4/01/21                     | 135          | 149,850   |
| Copano Energy LLC, 7.13%, 4/01/21                               | 120          | 127,200   |
| Crosstex Energy LP, 8.88%, 2/15/18                              | 65           | 70,525    |
| Denbury Resources, Inc.:  |              |           |
| 8.25%, 2/15/20  | 239          | 272,460   |
| 6.38%, 8/15/21  | 125          | 137,813   |
| El Paso Pipeline Partners Operating Co. LLC,<br>5.00%, 10/01/21 | 500          | 522,139   |
| Energy XXI Gulf Coast, Inc.:                                    |              |           |
| 9.25%, 12/15/17   | 145          | 160,587   |
| 7.75%, 6/15/19  | 320          | 337,600   |
| Enterprise Products Operating LLC, 3.70%,<br>6/01/15            | 500          | 532,678   |
| EV Energy Partners LP, 8.00%, 4/15/19                           | 55           | 57,750    |
| Hilcorp Energy I LP, 7.63%, 4/15/21 (c)                         | 195          | 212,550   |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (c)                     | 120          | 128,400   |
| Linn Energy LLC:  |              |           |
| 6.50%, 5/15/19 (c)  | 35           | 35,700    |
| 6.25%, 11/01/19 (c)(g)  | 305          | 304,619   |
| 7.75%, 2/01/21  | 170          | 182,750   |
| MarkWest Energy Partners LP, 6.75%, 11/01/20                    | 50           | 54,625    |
| Nexen, Inc., 6.40%, 5/15/37                                     | 150          | 172,050   |
| Niska Gas Storage US LLC, 8.88%, 3/15/18                        | 215          | 206,400   |
| Oasis Petroleum, Inc.:  |              |           |
| 7.25%, 2/01/19  | 115          | 121,900   |
| 6.50%, 11/01/21   | 110          | 113,300   |
| OGX Petroleo e Gas Participações SA, 8.50%,<br>6/01/18 (c)      | 1,705        | 1,777,462 |
| Petrobras International Finance Co.:                            |              |           |
| 3.88%, 1/27/16  | 1,100        | 1,147,245 |
| 5.88%, 3/01/18  | 200          | 222,324   |
| 7.88%, 3/15/19  | 100          | 123,000   |
| 6.88%, 1/20/40  | 25           | 29,461    |
| Petrohawk Energy Corp.:   |              |           |
| 7.25%, 8/15/18  | 115          | 131,531   |
| 6.25%, 6/01/19  | 315          | 355,950   |
| Petroleum Geo-Services ASA, 7.38%,<br>12/15/18 (c)              | 210          | 220,500   |
| Pioneer Natural Resources Co.:                                  |              |           |
| 6.88%, 5/01/18  | 35           | 41,114    |
| 7.50%, 1/15/20  | 55           | 67,967    |

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|   |     |            |
|---|-----|------------|
| Plains Exploration & Production Co.:          |     |            |
| 6.63%, 5/01/21                                | 290 | 313,200    |
| 6.75%, 2/01/22                                | 195 | 213,525    |
| Precision Drilling Corp., 6.50%, 12/15/21 (c) | 105 | 112,088    |
| Range Resources Corp.:                        |     |            |
| 8.00%, 5/15/19                                | 45  | 50,175     |
| 5.75%, 6/01/21                                | 350 | 374,500    |
| SandRidge Energy, Inc., 7.50%, 3/15/21        | 165 | 166,650    |
| SM Energy Co., 6.63%, 2/15/19                 | 45  | 48,263     |
| Western Gas Partners LP, 5.38%, 6/01/21       | 325 | 346,785    |
| The Williams Cos., Inc., 8.75%, 3/15/32       | 124 | 165,523    |
|   |     | 11,841,982 |

|   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Corporate Bonds</b>  |              |            |
| <b>Paper &amp; Forest Products 2.2%</b>                       |              |            |
| Boise Paper Holdings LLC:                                     |              |            |
| 9.00%, 11/01/17   | USD 105      | \$ 115,500 |
| 8.00%, 4/01/20  | 65           | 71,337     |
| Clearwater Paper Corp.:                                       |              |            |
| 10.63%, 6/15/16   | 160          | 181,800    |
| 7.13%, 11/01/18   | 215          | 228,975    |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (c)                       | 355          | 393,279    |
| International Paper Co.:                                      |              |            |
| 7.95%, 6/15/18  | 220          | 275,788    |
| 7.30%, 11/15/39   | 5            | 6,433      |
| Longview Fibre Paper & Packaging, Inc., 8.00%,<br>6/01/16 (c) | 120          | 123,300    |
| NewPage Corp., 11.38%, 12/31/14 (b)(f)                        | 845          | 509,112    |
| Sappi Papier Holding GmbH, 6.63%, 4/15/21 (c)                 | 50           | 46,875     |
| Verso Paper Holdings LLC, 11.50%, 7/01/14                     | 297          | 302,940    |
|   |              | 2,255,339  |
| <b>Pharmaceuticals 1.5%</b>                                   |              |            |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (c)                  | EUR 100      | 143,222    |
| Jaguar Holding Co. II, 9.50%, 12/01/19 (c)                    | USD 150      | 164,063    |
| Valeant Pharmaceuticals International, 6.50%,<br>7/15/16 (c)  | 470          | 479,400    |
| Wyeth, 6.50%, 2/01/34   | 500          | 673,938    |
|   |              | 1,460,623  |
| <b>Professional Services 0.3%</b>                             |              |            |
| FTI Consulting, Inc., 6.75%, 10/01/20                         | 265          | 286,531    |
| <b>Real Estate Investment Trusts (REITs) 0.7%</b>             |              |            |
| Felcor Lodging LP, 6.75%, 6/01/19                             | 345          | 352,763    |
| HCP, Inc., 5.38%, 2/01/21                                     | 225          | 246,625    |
| The Rouse Co. LP, 6.75%, 11/09/15                             | 145          | 151,706    |
|   |              | 751,094    |
| <b>Real Estate Management &amp; Development 1.6%</b>          |              |            |
| CBRE Services, Inc., 6.63%, 10/15/20                          | 90           | 95,625     |
| Realogy Corp.:  |              |            |
| 11.50%, 4/15/17   | 110          | 100,650    |
| 12.00%, 4/15/17   | 35           | 32,200     |
| 7.88%, 2/15/19 (c)  | 810          | 785,700    |
| 7.63%, 1/15/20 (c)  | 130          | 134,225    |
| Shea Homes LP, 8.63%, 5/15/19 (c)                             | 445          | 449,450    |
|   |              | 1,597,850  |
| <b>Road &amp; Rail 1.6%</b>                                   |              |            |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19                    | 45           | 46,913     |
| Canadian National Railway Co., 6.90%, 7/15/28                 | 500          | 666,938    |
| The Hertz Corp.:  |              |            |
| 7.50%, 10/15/18   | 335          | 361,381    |
| 6.75%, 4/15/19  | 40           | 41,900     |

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|  |     |     |           |
|--|-----|-----|-----------|
| 7.38%, 1/15/21                                 |     | 430 | 465,475   |
|  |     |     | 1,582,607 |
| <b>Software 0.3%</b>                           |     |     |           |
| Oracle Corp., 5.38%, 7/15/40                   |     | 210 | 255,362   |
| <b>Specialty Retail 1.4%</b>                   |     |     |           |
| Asbury Automotive Group, Inc., 8.38%, 11/15/20 |     | 130 | 139,425   |
| House of Fraser Funding Plc:                   |     |     |           |
| 8.88%, 8/15/18 (c)                             | GBP | 100 | 142,386   |
| 8.88%, 8/15/18                                 |     | 125 | 177,982   |
| Limited Brands, Inc., 8.50%, 6/15/19           | USD | 320 | 382,400   |
| Phones4u Finance Plc, 9.50%, 4/01/18 (c)       | GBP | 100 | 139,601   |
| QVC, Inc. (c):                                 |     |     |           |
| 7.13%, 4/15/17                                 | USD | 80  | 86,000    |
| 7.50%, 10/01/19                                |     | 135 | 149,850   |
| 7.38%, 10/15/20                                |     | 95  | 105,213   |
| Sonic Automotive, Inc., 9.00%, 3/15/18         |     | 115 | 125,062   |
|  |     |     | 1,447,919 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value              |
|---|--------------|--------------------|
| <b>Corporate Bonds</b>  |              |                    |
| <b>Tobacco 0.1%</b>   |              |                    |
| Altria Group, Inc., 9.95%, 11/10/38   | USD 50       | \$ 78,158          |
| <b>Wireless Telecommunication Services 5.5%</b>                                       |              |                    |
| America Movil SAB de CV:  |              |                    |
| 2.38%, 9/08/16  | 200          | 204,217            |
| 5.00%, 3/30/20  | 400          | 454,280            |
| American Tower Corp., 4.50%, 1/15/18  | 375          | 387,963            |
| Cricket Communications, Inc., 7.75%, 5/15/16  | 480          | 511,200            |
| Crown Castle Towers LLC, 6.11%, 1/15/40 (c)   | 375          | 422,233            |
| Digicel Group Ltd. (c):   |              |                    |
| 8.88%, 1/15/15  | 170          | 172,975            |
| 9.13%, 1/15/15  | 439          | 447,780            |
| 8.25%, 9/01/17  | 365          | 386,900            |
| iPCS, Inc., 2.67%, 5/01/13 (i)  | 20           | 19,250             |
| SBA Tower Trust, 4.25%, 4/15/40 (c)   | 325          | 334,425            |
| Sprint Capital Corp., 6.88%, 11/15/28   | 830          | 647,400            |
| Sprint Nextel Corp. (c):  |              |                    |
| 9.00%, 11/15/18   | 880          | 981,200            |
| 7.00%, 3/01/20 (g)  | 560          | 569,100            |
|   |              | 5,538,923          |
| <b>Total Corporate Bonds 100.8%</b>   |              | <b>101,060,579</b> |
| <b>Floating Rate Loan Interests (i)</b>   |              |                    |
| <b>Airlines 0.2%</b>  |              |                    |
| Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17                         | 214          | 208,494            |
| <b>Auto Components 0.2%</b>   |              |                    |
| Schaeffler AG, Term Loan C2, 6.25%, 1/27/17   | 180          | 180,526            |
| <b>Building Products 0.2%</b>   |              |                    |
| Goodman Global, Inc., Term Loan (Second Lien), 9.00%, 10/30/17                        | 191          | 193,893            |
| <b>Commercial Services &amp; Supplies 0.7%</b>  |              |                    |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16                             | 152          | 151,026            |
| Delos Aircraft, Inc., Term Loan B2, 7.00%, 3/17/16                                    | 225          | 225,241            |
| Volume Services America, Inc., (FKA Centerplate), Term Loan B, 10.50% 10.75%, 9/16/16 | 356          | 356,982            |
|   |              | 733,249            |
| <b>Construction &amp; Engineering 0.7%</b>  |              |                    |
| Safway Services LLC, Mezzanine Loan, 15.63%, 12/16/17                                 | 750          | 750,000            |
| <b>Consumer Finance 1.6%</b>  |              |                    |
| Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17            | 1,750        | 1,595,317          |
| <b>Diversified Consumer Services 0.5%</b>   |              |                    |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 8/15/18                          | 490          | 467,735            |
| ServiceMaster Co.:  |              |                    |
| Delayed Draw Term Loan, 2.75%, 7/24/14  | 3            | 3,115              |
| Term Loan, 2.77% 3.03%, 7/24/14   | 32           | 31,284             |

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|  |  |     |              |    |              |
|--|--|-----|--------------|----|--------------|
|  |  |     |              |    | 502,134      |
| <b>Diversified Telecommunication Services 0.5%</b>           |  |     |              |    |              |
| Level 3 Financing, Inc.:                                     |  |     |              |    |              |
| Term Loan B, 5.75%, 8/31/18                                  |  |     | 350          |    | 352,408      |
| Tranche A Term Loan, 2.50% 2.83%, 3/13/14                    |  |     | 200          |    | 196,700      |
|  |  |     |              |    | 549,108      |
|  |  |     |              |    |              |
|  |  |     | <b>Par</b>   |    | <b>Value</b> |
|  |  |     | <b>(000)</b> |    |              |
| <b>Floating Rate Loan Interests (i)</b>                      |  |     |              |    |              |
| <b>Energy Equipment &amp; Services 2.0%</b>                  |  |     |              |    |              |
| Dynegy Midwest Generation LLC, Coal Co. Term                 |  |     |              |    |              |
| Loan, 9.25%, 8/04/16   |  | USD | 705          | \$ | 700,939      |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%,                  |  |     |              |    |              |
| 8/04/16  |  |     | 1,290        |    | 1,330,738    |
|  |  |     |              |    | 2,031,677    |
| <b>Food Products 0.3%</b>                                    |  |     |              |    |              |
| Advance Pierre Foods, Inc., Term Loan (Second Lien),         |  |     |              |    |              |
| 11.25%, 9/29/17  |  |     | 300          |    | 300,249      |
| <b>Health Care Equipment &amp; Supplies 0.3%</b>             |  |     |              |    |              |
| Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19             |  |     |              |    |              |
|  |  |     | 280          |    | 279,826      |
| <b>Health Care Providers &amp; Services 0.7%</b>             |  |     |              |    |              |
| Harden Healthcare LLC:                                       |  |     |              |    |              |
| Term Loan A, 8.50%, 3/02/15                                  |  |     | 164          |    | 160,662      |
| Tranche A Additional Term Loan, 7.75%, 3/02/15               |  |     | 165          |    | 161,396      |
| Health Management Associates, Inc., Term Loan B,             |  |     |              |    |              |
| 4.50%, 11/16/18  |  |     | 145          |    | 144,058      |
| inVentiv Health, Inc., Combined Term Loan, 6.50%,            |  |     |              |    |              |
| 8/04/16  |  |     | 265          |    | 254,804      |
|  |  |     |              |    | 720,920      |
| <b>Hotels, Restaurants &amp; Leisure 1.2%</b>                |  |     |              |    |              |
| Caesars Entertainment Operating Co., Inc.:                   |  |     |              |    |              |
| Term Loan B-1, 3.24%, 1/28/15                                |  |     | 292          |    | 273,775      |
| Term Loan B-2, 3.25%, 1/28/15                                |  |     | 109          |    | 102,445      |
| Term Loan B-3, 3.00% 3.58%, 1/28/15                          |  |     | 350          |    | 328,245      |
| Term Loan B-4, 9.50%, 10/31/16                               |  |     | 80           |    | 82,291       |
| OSI Restaurant Partners LLC:                                 |  |     |              |    |              |
| Revolver, 2.56% 2.79%, 6/14/13                               |  |     | 4            |    | 3,503        |
| Term Loan B, 2.56%, 6/14/14                                  |  |     | 36           |    | 35,530       |
| Station Casinos, Inc., Term Loan B1, 3.24%,                  |  |     |              |    |              |
| 6/17/16  |  |     | 375          |    | 338,126      |
|  |  |     |              |    | 1,163,915    |
| <b>Independent Power Producers &amp; Energy Traders 0.1%</b> |  |     |              |    |              |
| Texas Competitive Electric Holdings Co. LLC (FKA TXU),       |  |     |              |    |              |
| Extended Term Loan, 4.76%, 10/10/17                          |  |     | 136          |    | 76,091       |
| <b>Industrial Conglomerates 0.2%</b>                         |  |     |              |    |              |
| Sequa Corp., Incremental Term Loan, 6.25%,                   |  |     |              |    |              |
| 12/03/14   |  |     | 160          |    | 160,533      |
| <b>IT Services 0.3%</b>                                      |  |     |              |    |              |
| First Data Corp., Extended Term Loan B, 4.24%,               |  |     |              |    |              |
| 3/23/18  |  |     | 285          |    | 255,742      |
| <b>Leisure Equipment &amp; Products 0.2%</b>                 |  |     |              |    |              |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,                   |  |     |              |    |              |
| 7/20/13  |  |     | 215          |    | 217,621      |
| <b>Media 4.1%</b>  |  |     |              |    |              |
| Cengage Learning Acquisitions, Inc.                          |  |     |              |    |              |
| (FKA Thomson Learning):                                      |  |     |              |    |              |
| Term Loan, 2.49%, 7/03/14                                    |  |     | 40           |    | 37,120       |
| Tranche 1 Incremental Term Loan, 7.50%,                      |  |     |              |    |              |
| 7/03/14  |  |     | 482          |    | 466,819      |
| Clear Channel Communications:                                |  |     |              |    |              |

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|   |       |           |
|---|-------|-----------|
| Term Loan B, 3.89%, 1/28/16   | 550   | 451,396   |
| Term Loan C, 3.89%, 1/28/16   | 55    | 43,588    |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 4/02/18 | 2,481 | 2,477,032 |
| Interactive Data Corp., Term Loan B, 4.50%, 2/12/18   | 20    | 19,955    |
| Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13  | 550   | 565,812   |
|   |       | 4,061,722 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)  
(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) |    | Value      |
|--|-----|--------------|----|------------|
| <b>Floating Rate Loan Interests (i)</b>  |     |              |    |            |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>  |     |              |    |            |
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15                                | USD | 612          | \$ | 614,676    |
| <b>Paper &amp; Forest Products 0.3%</b>  |     |              |    |            |
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13   |     | 250          |    | 251,875    |
| <b>Pharmaceuticals 0.1%</b>  |     |              |    |            |
| Pharmaceutical Products Development, Inc., Term<br>Loan B, 6.25%, 12/05/18               |     | 145          |    | 146,269    |
| <b>Real Estate Investment Trusts (REITs) 0.4%</b>  |     |              |    |            |
| iStar Financial, Inc., Term Loan (Second Lien),<br>5.00%, 6/28/13                        |     | 454          |    | 451,562    |
| <b>Real Estate Management &amp; Development 0.4%</b>                                     |     |              |    |            |
| Realogy Corp.:   |     |              |    |            |
| Extended Letter of Credit, 4.53%, 10/10/16   |     | 60           |    | 56,045     |
| Extended Term Loan, 4.77%, 10/10/16  |     | 426          |    | 395,042    |
|  |     |              |    | 451,087    |
| <b>Software 0.2%</b>   |     |              |    |            |
| Infor Enterprise Solutions Holdings, Inc., Extended<br>Initial Term Loan, 6.29%, 7/28/15 | EUR | 155          |    | 194,632    |
| <b>Specialty Retail 0.2%</b>   |     |              |    |            |
| Claire's Stores, Inc., Term Loan B, 2.99% - 3.30%,<br>5/29/14                            | USD | 197          |    | 186,418    |
| <b>Wireless Telecommunication Services 1.3%</b>  |     |              |    |            |
| Crown Castle International Corp., Term Loan B,<br>4.00%, 1/31/19                         |     | 75           |    | 74,659     |
| Vodafone Americas Finance 2, Inc. (h):   |     |              |    |            |
| Term Loan, 6.88%, 8/11/15  |     | 831          |    | 830,645    |
| Term Loan B, 6.25%, 7/11/16  |     | 413          |    | 411,469    |
|  |     |              |    | 1,316,773  |
| <b>Total Floating Rate Loan Interests 17.5%</b>  |     |              |    | 17,594,309 |
| <b>Foreign Agency Obligations 0.2%</b>   |     |              |    |            |
| Qatar Government International Bond, 4.00%,<br>1/20/15 (c)                               |     | 200          |    | 211,000    |
| <b>Other Interests (j) 0.0%</b>  |     |              |    |            |
| <b>Media 0.0%</b>  |     |              |    |            |
| Adelphia Communications Corp., Class A   |     | 400          |    | 2,480      |
| <b>Preferred Securities</b>  |     |              |    |            |
| <b>Capital Trusts</b>  |     |              |    |            |
| <b>Capital Markets 0.1%</b>  |     |              |    |            |
| State Street Capital Trust IV, 1.55%, 6/15/37 (i)  |     | 200          |    | 141,191    |
| <b>Insurance 0.2%</b>  |     |              |    |            |



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|   |     |                |
|---|-----|----------------|
| Genworth Financial, Inc., 6.15%, 11/15/66 (i) | 305 | 209,306        |
| <b>Total Capital Trusts 0.3%</b>              |     | <b>350,497</b> |

| Preferred Stocks                                  | Shares | Value          |
|---|--------|----------------|
| <b>Diversified Financial Services 0.9%</b>        |        |                |
| Ally Financial, Inc., 7.00% (c)                   | 1,000  | \$ 867,688     |
| <b>Real Estate Investment Trusts (REITs) 0.0%</b> |        |                |
| MPG Office Trust, Inc., Series A, 7.63% (b)       | 3,277  | 46,533         |
| <b>Total Preferred Stocks 0.9%</b>                |        | <b>914,221</b> |

|  |       |                  |
|--|-------|------------------|
| <b>Trust Preferreds 0.2%</b>                       |       |                  |
| <b>Diversified Financial Services 0.2%</b>         |       |                  |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (i) | 6,840 | 159,986          |
| <b>Total Preferred Securities 1.4%</b>             |       | <b>1,424,704</b> |

|  |                  |         |
|--|------------------|---------|
| <b>Taxable Municipal Bonds 0.4%</b>  | <b>Par (000)</b> |         |
| Metropolitan Transportation Authority, RB, Build America Bonds, Series TR, 6.81%, 11/15/40 | USD 300          | 391,896 |

|  |     |         |
|--|-----|---------|
| <b>US Government Sponsored Agency Securities 0.2%</b>                              |     |         |
| <b>Collateralized Mortgage Obligations 0.2%</b>                                    |     |         |
| Ginnie Mae Mortgage-Backed Securities, Series 2006-68, Class B, 5.16%, 6/16/31 (i) | 247 | 251,184 |

|   |     |                |
|---|-----|----------------|
| <b>US Treasury Obligations</b>            |     |                |
| US Treasury Notes:                        |     |                |
| 2.00%, 11/15/21                           | 465 | 467,325        |
| 2.00%, 2/15/22                            | 95  | 95,193         |
| <b>Total US Treasury Obligations 0.6%</b> |     | <b>562,518</b> |

|  |               |                    |
|--|---------------|--------------------|
| <b>Warrants (k)</b>  | <b>Shares</b> |                    |
| <b>Media 0.1%</b>  |               |                    |
| Cumulus Media, Inc. (Expires 3/26/19)                          | 10,660        | 76,995             |
| <b>Software 0.0%</b>   |               |                    |
| Bankruptcy Management Solutions, Inc. (Expires 9/28/17)        | 56            |                    |
| <b>Total Warrants 0.1%</b>                                     |               | <b>76,995</b>      |
| <b>Total Long-Term Investments (Cost \$116,637,968) 123.2%</b> |               | <b>123,631,415</b> |

|  |         |                |
|--|---------|----------------|
| <b>Short-Term Securities</b>   |         |                |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.11% (l)(m) | 308,844 | 308,844        |
| <b>Total Short-Term Securities (Cost \$308,844) 0.3%</b>               |         | <b>308,844</b> |

See Notes to Financial Statements.

## Schedule of Investments (continued)

**BlackRock Strategic Bond Trust (BHD)**  
(Percentages shown are based on Net Assets)

| Options Purchased  | Contracts                            | Value            |
|--|--------------------------------------|------------------|
| <b>Over-the-Counter Call Options 0.0%</b><br>Marsico Parent Superholdco LLC, Strike Price<br>USD 942.86, Expires 12/14/19,<br>Broker Goldman Sachs & Co.   | 6                                    |                  |
|  | <b>Notional<br/>Amount<br/>(000)</b> |                  |
| <b>Over-the-Counter Interest Rate Call<br/>Swaptions 0.0%</b><br>Receive a fixed rate of 2.40% and pay a floating<br>rate based on 3-month LIBOR, expires 5/11/12,<br>Broker Citibank NA                         | USD 1,200                            | \$ 9,032         |
| <b>Over-the-Counter Interest Rate Put<br/>Swaptions 0.1%</b><br>Pay a fixed rate of 4.50% and receive a floating<br>rate based on 6-month EURIBOR, Expires 9/16/13,<br>Broker Credit Suisse Securities (USA) LLC | EUR 600                              | 5,511            |
| Pay a fixed rate of 4.50% and receive a floating<br>rate based on 3-month LIBOR, Expires 2/07/17,<br>Broker Deutsche Bank AG   | USD 1,000                            | 38,856<br>44,367 |
| <b>Total Options Purchased<br/>(Cost \$89,464) 0.1%</b>  |                                      | 53,399           |
| <b>Total Investments Before Options Written<br/>(Cost \$117,036,276) 123.6%</b>  |                                      | 123,993,658      |
| <b>Options Written</b>   |                                      |                  |
| <b>Over-the-Counter Interest Rate Put<br/>Swaptions (0.0)%</b><br>Receive a fixed rate of 1.75% and pay a floating<br>rate based on 3-month LIBOR, Expires 8/23/12,<br>Broker Deutsche Bank AG                   | 2,400                                | (8,955)          |
| Receive a fixed rate of 6.00% and pay a floating<br>rate based on 3-month LIBOR, Expires 2/02/17,<br>Broker Deutsche Bank AG   | 2,000                                | (39,290)         |
| <b>Total Options Written<br/>(Premiums Received \$50,160) (0.0)%</b>   |                                      | (48,245)         |
| <b>Total Investments, Net of Options Written 123.6%</b>  |                                      | 123,945,413      |
| <b>Liabilities in Excess of Other Assets (23.6)%</b>   |                                      | (23,667,372)     |
| <b>Net Assets 100.0%</b>   |                                      | \$ 100,278,041   |

- (a) Restricted security as to resale. As of report date the Trust held 1.9% of its net assets, with a current value of \$1,892,938 in this security.
- (b) Non-income producing security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

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- (e) Convertible security.
- (f) Issuer filed for bankruptcy and/or is in default of interest payments.
- (g) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty           | Value      | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------|------------|--|
| JPMorgan Chase & Co.   | \$ 304,619 | \$ (315)                                     |
| Wells Fargo Securities | \$ 75,750  | \$ 750                                       |
| Bank of America NA     | \$ 569,100 | \$ 2,163                                     |
| Morgan Stanley & Co.   | \$ 298,681 | \$ 8,681                                     |

- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Variable rate security. Rate shown is as of report date.
- (j) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (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.
- (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<br>August 31,<br>2011 | Net<br>Activity | Shares Held at<br>February 29,<br>2012 | Income |
|--|--------------------------------------|-----------------|--|--------|
| BlackRock Liquidity<br>Funds, TempFund,<br>Institutional Class | 891,719                              | (582,875)       | 308,844                                | \$ 569 |

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

Financial futures contracts purchased as of February 29, 2012 were as follows:

| Contracts    | Issue                          | Exchange                  | Expiration | Notional<br>Value | Unrealized<br>Depreciation |
|--------------|--------------------------------|---------------------------|------------|-------------------|----------------------------|
| 57           | 2-Year US<br>Treasury Note     | Chicago<br>Board of Trade | June 2012  | \$ 12,553,359     | \$ (714)                   |
| 42           | 5-Year US<br>Treasury Note     | Chicago<br>Board of Trade | June 2012  | \$ 5,173,219      | (1,604)                    |
| 10           | Ultra Long US<br>Treasury Bond | Chicago<br>Board of Trade | June 2012  | \$ 1,572,500      | (16,666)                   |
| <b>Total</b> |                                |                           |            |                   | \$ (18,984)                |

Financial futures contracts sold as of February 29, 2012 were as follows:

| Contracts | Issue                       | Exchange                  | Expiration | Notional<br>Value | Unrealized<br>Appreciation |
|-----------|-----------------------------|---------------------------|------------|-------------------|----------------------------|
| 34        | 10-Year US<br>Treasury Note | Chicago<br>Board of Trade | June 2012  | \$ 4,452,406      | \$ 13,067                  |

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|              |                          |                        |           |    |           |        |
|--------------|--------------------------|------------------------|-----------|----|-----------|--------|
| 10           | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012 | \$ | 1,416,563 | 811    |
| <b>Total</b> |                          |                        |           |    | \$        | 13,878 |

Foreign currency exchange contracts as of February 29, 2012 were as follows:

| Currency Purchased |           | Currency Sold |           | Counterparty               | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|----------------------------|-----------------|--|
| GBP                | 100,000   | USD           | 158,417   | Citibank NA                | 4/11/12         | \$ 628                                 |
| USD                | 103,301   | GBP           | 65,000    | Citibank NA                | 4/11/12         | (78)                                   |
| USD                | 156,943   | GBP           | 100,000   | Royal Bank of Scotland Plc | 4/11/12         | (2,102)                                |
| USD                | 945,046   | GBP           | 616,500   | UBS Securities LLC         | 4/11/12         | (35,466)                               |
| EUR                | 150,000   | USD           | 201,950   | Deutsche Bank AG           | 4/18/12         | (2,066)                                |
| USD                | 5,288,287 | EUR           | 4,117,000 | Citibank NA                | 4/18/12         | (197,866)                              |
| USD                | 158,498   | EUR           | 120,000   | Citibank NA                | 4/18/12         | (1,409)                                |
| USD                | 64,505    | EUR           | 49,000    | Deutsche Bank AG           | 4/18/12         | (790)                                  |
| USD                | 377,772   | EUR           | 290,000   | Royal Bank of Scotland Plc | 4/18/12         | (8,671)                                |
| USD                | 159,843   | EUR           | 121,000   | UBS Securities LLC         | 4/18/12         | (1,397)                                |
| <b>Total</b>       |           |               |           |                            |                 | \$ (249,217)                           |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Strategic Bond Trust (BHD)

Credit default swaps on single-name issues buy protection outstanding as of February 29, 2012 were as follows:

| Issuer                         | Pay Fixed Rate | Counterparty           | Expiration Date | Notional Amount (000) | Unrealized Appreciation |
|--------------------------------|----------------|------------------------|-----------------|-----------------------|-------------------------|
| Republic of Hungary            | 1.00%          | Deutsche Bank AG       | 12/20/15        | \$ 110                | \$ 5,857                |
| K. Hovnanian Enterprises, Inc. | 5.00%          | JPMorgan Chase & Co.   | 12/20/15        | \$ 250                | 33,633                  |
| The New York Times Co.         | 1.00%          | Barclays Capital, Inc. | 12/20/16        | \$ 500                | 107                     |
| <b>Total</b>                   |                |                        |                 |                       | \$ 39,597               |

Credit default swaps on single-name issues sold protection outstanding as of February 29, 2012 were as follows:

| Issuer                 | Receive Fixed Rate | Counterparty         | Expiration Date | Issuer Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|------------------------|--------------------|----------------------|-----------------|-----------------------------------|------------------------------------|--|
| Aviva USA Corp.        | 1.00%              | Deutsche Bank AG     | 5/25/12         | Not Rated                         | \$ 375                             | \$ (202)                               |
| Assured Guaranty Corp. | 5.00%              | Citibank NA          | 3/20/15         | AA                                | \$ 33                              | 4,397                                  |
| MetLife, Inc.          | 5.00%              | Deutsche Bank AG     | 6/20/15         | A                                 | \$ 150                             | 8,269                                  |
| MetLife, Inc.          | 1.00%              | UBS Securities LLC   | 9/20/15         | A                                 | \$ 175                             | 3,984                                  |
| ARAMARK Corp.          | 5.00%              | Goldman Sachs & Co.  | 6/20/16         | B                                 | \$ 150                             | 7,136                                  |
| ARAMARK Corp.          | 5.00%              | Goldman Sachs & Co.  | 6/20/16         | B                                 | \$ 150                             | 8,079                                  |
| ARAMARK Corp.          | 5.00%              | JPMorgan Chase & Co. | 6/20/16         | B                                 | \$ 50                              | 2,570                                  |
| ARAMARK Corp.          | 5.00%              | JPMorgan Chase & Co. | 6/20/16         | B                                 | \$ 100                             | 5,139                                  |
| ARAMARK Corp.          | 5.00%              | Goldman Sachs & Co.  | 9/20/16         | B                                 | \$ 150                             | 6,774                                  |
| <b>Total</b>           |                    |                      |                 |                                   |                                    | \$ 46,146                              |

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

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

Interest rate swaps outstanding as of February 29, 2012 were as follows:

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| Fixed Rate           | Floating Rate | Counterparty     | Expiration Date | Notional Amount (000) | Unrealized Appreciation |
|----------------------|---------------|------------------|-----------------|-----------------------|-------------------------|
| 2.71% <sup>(3)</sup> | 3-month LIBOR | Deutsche Bank AG | 2/02/42         | \$ 1,200              | \$ 17,608               |

<sup>3</sup> Trust pays fixed interest rate and receives floating 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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments 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 29, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs                          | Level 1           | Level 2               | Level 3             | Total                 |
|---|-------------------|-----------------------|---------------------|-----------------------|
| <b>Assets:</b>                            |                   |                       |                     |                       |
| <b>Investments:</b>                       |                   |                       |                     |                       |
| <b>Long-Term Investments:</b>             |                   |                       |                     |                       |
| Common Stocks                             | \$ 162,809        | \$ 1,892,939          | \$ 2                | \$ 2,055,750          |
| Corporate Bonds                           |                   | 101,060,579           |                     | 101,060,579           |
| Floating Rate Loan Interests              |                   | 14,665,460            | 2,928,849           | 17,594,309            |
| Foreign Agency Obligations                |                   | 211,000               |                     | 211,000               |
| Other Interests                           |                   | 2,480                 |                     | 2,480                 |
| Preferred Securities                      | 206,519           | 1,218,185             |                     | 1,424,704             |
| Taxable Municipal Bonds                   |                   | 391,896               |                     | 391,896               |
| US Government Sponsored Agency Securities |                   | 251,184               |                     | 251,184               |
| US Treasury Obligations                   |                   | 562,518               |                     | 562,518               |
| Warrants                                  |                   | 76,995                |                     | 76,995                |
| Short-Term Securities                     | 308,844           |                       |                     | 308,844               |
| <b>Total</b>                              | <b>\$ 678,172</b> | <b>\$ 120,333,236</b> | <b>\$ 2,928,851</b> | <b>\$ 123,940,259</b> |

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| Valuation Inputs                              | Level 1    | Level 2      | Level 3  | Total        |
|---|------------|--------------|----------|--------------|
| Derivative Financial Instruments <sup>4</sup> |            |              |          |              |
| <b>Assets:</b>                                |            |              |          |              |
| Credit contracts                              |            | \$ 85,945    |          | \$ 85,945    |
| Foreign currency exchange contracts           |            | 628          |          | 628          |
| Interest rate contracts                       | \$ 13,878  | 71,007       |          | 84,885       |
| <b>Liabilities:</b>                           |            |              |          |              |
| Credit contracts                              |            |              | \$ (202) | (202)        |
| Foreign currency exchange contracts           |            | (249,845)    |          | (249,845)    |
| Interest rate contracts                       | (18,984)   | (48,245)     |          | (67,229)     |
| <b>Total</b>                                  | \$ (5,106) | \$ (140,510) | \$ (202) | \$ (145,818) |

<sup>4</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.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Strategic Bond Trust (BHD)

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

|   | Common<br>Stocks | Corporate<br>Bonds | Floating Rate<br>Loan Interests | Other<br>Interests | Preferred<br>Securities | Warrants  | Total               |
|---|------------------|--------------------|---------------------------------|--------------------|-------------------------|-----------|---------------------|
| <b>Assets/Liabilities:</b>                                      |                  |                    |                                 |                    |                         |           |                     |
| Balance, as of August 31, 2011                                  |                  | \$ 38,005          | \$ 3,592,743                    | \$ 95              | \$ 79,288               | \$ 60,209 | \$ 3,770,340        |
| Accrued discounts/premiums                                      |                  | 156                | 1,661                           |                    |                         |           | 1,817               |
| Net realized gain (loss)  |                  | 13,618             | 1,185                           | 182                | 93,280                  |           | 108,265             |
| Net change in unrealized appreciation/depreciation <sup>1</sup> | \$ 1             | (11,779)           | 867                             | (95)               | (79,288)                | (1)       | (90,295)            |
| Purchases   |                  |                    | 40,401                          |                    |                         |           | 40,401              |
| Sales   |                  | (40,000)           | (140,133)                       | (182)              | (93,280)                |           | (273,595)           |
| Transfers in <sup>2</sup>                                       | 1                |                    |                                 |                    |                         |           | 1                   |
| Transfers out <sup>2</sup>                                      |                  |                    | (567,875)                       |                    |                         | (60,208)  | (628,083)           |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ 2</b>      |                    | <b>\$ 2,928,849</b>             |                    |                         |           | <b>\$ 2,928,851</b> |

<sup>1</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at February 29, 2012 was \$(97,679).

<sup>2</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the event.

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

|   | Credit<br>Contracts |
|---|---------------------|
| <b>Liabilities:</b>   |                     |
| Balance, as of August 31, 2011                                  | \$ (307)            |
| Accrued discounts/premiums                                      | 1,210               |
| Net realized gain (loss)  |                     |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 105                 |
| Purchases   |                     |
| Issuance <sup>4</sup>   |                     |
| Sales   |                     |
| Settlements <sup>5</sup>  | (1,210)             |
| Transfers in <sup>6</sup>                                       |                     |
| Transfers out <sup>6</sup>                                      |                     |
| <b>Balance, as of February 29, 2012</b>                         | <b>\$ (202)</b>     |

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at February 29, 2012 was \$105.

<sup>4</sup> Issuances represent upfront cash received on certain derivative financial instruments.

<sup>5</sup> Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

<sup>6</sup> The Trust's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.



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A reconciliation of Level 3 investments and derivative financial instruments is presented when the Trust had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

| February 29, 2012 (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) |
|--|--|--|---|---|
| <b>Assets</b>  |  |  |   |   |
| Investments at value unaffiliated                              | \$ 544,625,751                           | \$ 547,455,952   | \$ 569,198,757  | \$ 150,992,236                              |
| Investments at value affiliated                                | 163,811                                  |  |   | 840,816                                     |
| Foreign currency at value <sup>3</sup>                         | 202,534                                  | 361,936  | 372,525   | 251,632                                     |
| Cash   | 26,041                                   |  |   | 31  |
| Cash pledged as collateral for financial futures contracts     |  | 860,000  | 917,000   | 183,000                                     |
| Cash pledged as collateral for swaps                           | 3,970,000                                | 400,000  | 400,000   |   |
| Investments sold receivable                                    | 82,971,474                               | 12,788,012   | 13,161,040  | 3,742,722                                   |
| TBA sale commitments receivable                                | 9,811,934                                |  |   |   |
| Unrealized appreciation on swaps                               | 923,927                                  | 643,176  | 662,856   |   |
| Interest receivable  | 5,393,372                                | 7,725,073  | 8,131,738   | 2,353,351                                   |
| Swaps premiums paid  | 217,047                                  | 503,781  | 522,565   |   |
| Swaps receivable   | 23,707                                   | 149,841  | 152,660   |   |
| Principal paydown receivable                                   | 8,044                                    | 501,646  | 597,236   | 145,734                                     |
| Unrealized appreciation on foreign currency exchange contracts | 209,363                                  | 8,857  | 7,223   |   |
| Margin variation receivable                                    |  | 62,650   | 66,850  | 13,300                                      |
| Dividends receivable unaffiliated                              |  | 34,875   | 16,421  | 2,200                                       |
| Prepaid expenses   | 29,118                                   | 62,834   | 8,943   | 10,360                                      |
| Other assets   | 46,800                                   | 174,843  | 181,305   | 8,944                                       |
| <b>Total assets</b>  | <b>648,622,923</b>                       | <b>571,733,476</b>   | <b>594,397,119</b>  | <b>158,544,326</b>                          |
| <b>Liabilities</b>   |  |  |   |   |
| Bank overdraft   |  | 466,920  | 245,533   |   |
| Reverse repurchase agreements                                  | 157,136,074                              |  |   |   |
| Investments purchased payable                                  | 82,283,975                               | 28,263,952   | 29,371,924  | 7,619,903                                   |
| Loan payable   |  | 131,000,000  | 133,000,000   | 28,000,000                                  |
| Cash held as collateral for reverse repurchase agreements      | 16,000                                   |  |   |   |
| TBA sale commitments at value <sup>4</sup>                     | 9,813,953                                |  |   |   |
| Unrealized depreciation on swaps                               | 666,328                                  | 112,207  | 119,959   |   |
| Options written at value <sup>5</sup>                          | 3,990,457                                | 25,013   | 25,955  | 7,250                                       |
| Swaps payable  | 108,233                                  | 17,020   | 18,040  |   |
| Swaps premiums received  | 534,442                                  | 364,860  | 385,790   |   |
| Investment advisory fees payable                               | 323,144                                  | 251,300  | 304,243   | 86,949                                      |
| Margin variation payable                                       | 5,893                                    |  |   |   |
| Interest expense payable                                       | 56,687                                   | 115,851  | 116,814   | 16,945                                      |
| Unrealized depreciation on foreign currency exchange contracts | 562,330                                  | 1,448,067  | 1,500,303   | 283,739                                     |
| Income dividends payable                                       | 52,506                                   |  |   |   |
| Officers and Trustees fees payable                             | 68,991                                   | 86,695   | 85,279  | 11,440                                      |
| Deferred income  |  | 117,194  | 123,177   | 36,081                                      |
| Other accrued expenses payable                                 | 96,562                                   | 288,517  | 426,927   | 75,002                                      |
| Other liabilities  | 329,546                                  |  |   |   |
| <b>Total liabilities</b>                                       | <b>256,045,121</b>                       | <b>162,557,596</b>   | <b>165,723,944</b>  | <b>36,137,309</b>                           |
| <b>Net Assets</b>  | <b>\$ 392,577,802</b>                    | <b>\$ 409,175,880</b>  | <b>\$ 428,673,175</b>   | <b>\$ 122,407,017</b>                       |
| <sup>1</sup> Investments at cost unaffiliated                  | \$ 519,012,926                           | \$ 534,151,821   | \$ 556,169,846  | \$ 148,680,124                              |
| <sup>2</sup> Investments at cost affiliated                    | \$ 163,811                               |  |   | \$ 840,816                                  |
| <sup>3</sup> Foreign currency at cost                          | \$ 201,991                               | \$ 359,267   | \$ 366,559  | \$ 249,559                                  |
| <sup>4</sup> Proceeds from TBA sale commitments                | \$ 9,811,934                             |  |   |   |

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|                                |    |           |    |         |    |         |    |        |
|--------------------------------|----|-----------|----|---------|----|---------|----|--------|
| <sup>5</sup> Premiums received | \$ | 4,225,523 | \$ | 123,355 | \$ | 128,039 | \$ | 36,987 |
|--------------------------------|----|-----------|----|---------|----|---------|----|--------|

\* Consolidated Statements of Assets and Liabilities.

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

|  | <b>BlackRock<br/>Core Bond<br/>Trust<br/>(BHK)</b> | <b>BlackRock<br/>Corporate<br/>High Yield<br/>Fund V, Inc.<br/>(HYV)*</b> | <b>BlackRock<br/>Corporate<br/>High Yield<br/>Fund VI, Inc.<br/>(HYT)*</b> | <b>BlackRock<br/>High Income<br/>Shares<br/>(HIS)</b> |
|--|--|---|--|---|
| <b>February 29, 2012 (Unaudited)</b>     |  |   |  |   |
| <b>Net Assets Consist of</b>             |  |   |  |   |
| Paid-in capital <sup>6,7,8</sup>         | \$ 378,671,939                                     | \$ 470,118,921  | \$ 505,552,795   | \$ 160,626,815  |
| Undistributed net investment income      | 4,582,677  | 2,332,739   | 3,582,027  | 1,085,651   |
| Accumulated net realized loss            | (16,529,678)                                       | (75,398,403)  | (92,241,782)   | (41,298,548)  |
| Net unrealized appreciation/depreciation | 25,852,864   | 12,122,623  | 11,780,135   | 1,993,099   |
| <b>Net Assets</b>                        | <b>\$ 392,577,802</b>                              | <b>\$ 409,175,880</b>   | <b>\$ 428,673,175</b>  | <b>\$ 122,407,017</b>                                 |
| Net asset value                          | \$ 14.53   | \$ 12.41  | \$ 12.13   | \$ 2.24   |
| <sup>6</sup> Par value per share         | \$ 0.001   | \$ 0.100  | \$ 0.100   |   |
| <sup>7</sup> Shares outstanding          | 27,023,027   | 32,969,525  | 35,332,526   | 54,672,479  |
| <sup>8</sup> Shares authorized           | unlimited  | 200 million   | 200 million  | unlimited   |

\* Consolidated Statements of Assets and Liabilities.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

| February 29, 2012 (Unaudited)                                  | BlackRock High Yield Trust (BHY) | BlackRock Income Opportunity Trust, Inc. (BNA) | BlackRock Income Trust, Inc. (BKT) | BlackRock Strategic Bond Trust (BHD) |
|--|----------------------------------|--|------------------------------------|--------------------------------------|
| <b>Assets</b>  |                                  |  |                                    |                                      |
| Investments at value unaffiliated                              | \$ 58,692,832                    | \$ 554,323,754                                 | \$ 852,598,733                     | \$ 123,684,814                       |
| Investments at value affiliated                                | 980,802                          | 1,301,628                                      | 2,011,437                          | 308,844                              |
| Foreign currency at value <sup>3</sup>                         | 1,380                            | 165,125  |                                    | 109,148                              |
| Cash   |                                  | 25,599   | 24,438                             |                                      |
| Cash pledged as collateral for financial futures contracts     |                                  | 763,000  | 2,640,000                          | 44,660                               |
| Cash pledged as collateral for swaps                           |                                  | 4,300,000                                      | 8,605,000                          |                                      |
| Cash pledged as collateral for reverse repurchase agreements   |                                  |  | 330,000                            |                                      |
| Investments sold receivable                                    | 1,783,021                        | 80,618,255                                     | 10,583,505                         | 2,984,062                            |
| TBA sale commitments receivable                                |                                  | 10,884,848                                     | 15,827,469                         |                                      |
| Unrealized appreciation on swaps                               | 191,926                          | 998,643  | 41,918,659                         | 103,553                              |
| Interest receivable  | 887,906                          | 5,578,273                                      | 3,934,337                          | 1,756,475                            |
| Swaps premiums paid  | 69,435                           | 217,142  | 121,668                            | 130,833                              |
| Swaps receivable   | 32,378                           | 39,715   | 2,332,174                          | 9,433                                |
| Principal paydown receivable                                   | 57,813                           | 8,044  | 389,082                            | 109,944                              |
| Margin variation receivable                                    |                                  | 44,549   | 848,928                            | 2,211                                |
| Unrealized appreciation on foreign currency exchange contracts | 407                              | 208,280  |                                    | 628                                  |
| Dividends receivable unaffiliated                              | 1,800                            |  | 354                                | 787                                  |
| Prepaid expenses   | 1,901                            | 16,136   | 16,667                             | 2,615                                |
| Other assets   | 10,040                           | 76,733   | 86,901                             | 7,921                                |
| Total assets   | 62,711,641                       | 659,569,724                                    | 942,269,352                        | 129,255,928                          |
| <b>Liabilities</b>   |                                  |  |                                    |                                      |
| Reverse repurchase agreements                                  |                                  | 165,978,892                                    | 163,691,551                        |                                      |
| Investments purchased payable                                  | 4,136,637                        | 84,795,017                                     | 186,255,698                        | 3,443,143                            |
| Loan payable   | 12,000,000                       |  |                                    | 25,000,000                           |
| Cash held as collateral for swaps                              |                                  |  | 600,000                            |                                      |
| TBA sale commitments at value <sup>4</sup>                     |                                  | 10,886,484                                     | 15,842,735                         |                                      |
| Unrealized depreciation on swaps                               | 6,107                            | 628,935  | 40,570,424                         | 202                                  |
| Options written at value <sup>5</sup>                          |                                  | 4,001,417                                      | 1,929,347                          | 48,245                               |
| Borrowed bonds at value <sup>6</sup>                           |                                  |  | 18,449,439                         |                                      |
| Swaps payable  | 3,020                            | 106,812  | 3,282,710                          | 9,242                                |
| Swaps premiums received  | 200,348                          | 526,162  | 1,280,951                          | 14,970                               |
| Investment advisory fees payable                               | 37,786                           | 184,371  | 262,070                            | 71,814                               |
| Interest expense payable                                       | 1,365                            | 68,030   | 164,769                            | 14,498                               |
| Unrealized depreciation on foreign currency exchange contracts | 15,017                           | 478,240  |                                    | 249,845                              |
| Income dividends payable                                       |                                  | 54,023   | 119,015                            | 10,342                               |
| Officers and Trustees fees payable                             | 11,389                           | 78,752   | 89,237                             | 10,347                               |
| Deferred income  | 13,158                           |  |                                    | 29,038                               |
| Administration fees payable                                    | 4,200                            | 30,732   | 60,533                             |                                      |
| Other accrued expenses payable                                 | 43,065                           | 150,429  | 259,034                            | 76,201                               |
| Other liabilities  |                                  | 1,169,558                                      |                                    |                                      |
| Total liabilities  | 16,472,092                       | 269,137,854                                    | 432,857,513                        | 28,977,887                           |
| <b>Net Assets</b>  | \$ 46,239,549                    | \$ 390,431,870                                 | \$ 509,411,839                     | \$ 100,278,041                       |
| <sup>1</sup> Investments at cost unaffiliated                  | \$ 56,182,235                    | \$ 527,552,459                                 | \$ 825,771,509                     | \$ 116,727,432                       |
| <sup>2</sup> Investments at cost affiliated                    | \$ 980,802                       | \$ 1,301,628                                   | \$ 2,011,437                       | \$ 308,844                           |

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|   |    |       |    |            |    |            |
|---|----|-------|----|------------|----|------------|
| <sup>3</sup> Foreign currency at cost           | \$ | 1,366 | \$ | 164,678    | \$ | 108,522    |
| <sup>4</sup> Proceeds from TBA sale commitments |    |       | \$ | 10,884,848 | \$ | 15,827,469 |
| <sup>3</sup> Premiums received                  |    |       | \$ | 4,237,733  | \$ | 706,515    |
| <sup>6</sup> Proceeds from borrowed bonds cost  |    |       |    |            | \$ | 17,950,636 |

See Notes to Financial Statements.

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## Statements of Assets and Liabilities (concluded)

|   | <b>BlackRock<br/>High Yield<br/>Trust<br/>(BHY)</b> | <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>February 29, 2012 (Unaudited)</b>  |   |   |   |   |
| <b>Net Assets Consist of</b>  |   |   |   |   |
| Paid-in capital <sup>7,8,9</sup>  | \$ 58,521,452                                       | \$ 402,924,496  | \$ 478,542,248  | \$ 98,450,652   |
| Cost of shares held in treasury <sup>10</sup>   |   | (17,377,850)  |   |   |
| Undistributed net investment income (loss) (distributions in excess of net investment income) | (147,925)   | 4,964,408   | (1,761,219)   | 284,229   |
| Undistributed net realized gain (accumulated net realized loss)                               | (14,816,607)  | (27,327,848)  | 3,451,205   | (5,267,473)   |
| Net unrealized appreciation/depreciation  | 2,682,629   | 27,248,664  | 29,179,605  | 6,810,633   |
| <b>Net Assets</b>   | <b>\$ 46,239,549</b>                                | <b>\$ 390,431,870</b>   | <b>\$ 509,411,839</b>                                 | <b>\$ 100,278,041</b>                                   |
| Net asset value   | \$ 7.19   | \$ 11.33  | \$ 7.97   | \$ 14.21  |
| <sup>7</sup> Par value per share  | \$ 0.001  | \$ 0.01   | \$ 0.01   | \$ 0.001  |
| <sup>8</sup> Shares outstanding   | 6,428,284   | 34,456,370  | 63,942,535  | 7,058,401   |
| <sup>9</sup> Shares authorized  | unlimited   | 200 million   | 200 million   | unlimited   |
| <sup>10</sup> Shares held in treasury   |   | 1,757,400   |   |   |

See Notes to Financial Statements.

## Statements of Operations

| Six Months Ended February 29, 2012 (Unaudited)              | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) <sup>2</sup> | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) <sup>2</sup> | BlackRock<br>High Income<br>Shares<br>(HIS) |
|---|--|--|---|---|
| <b>Investment Income</b>                                    |  |  |   |   |
| Interest  | \$ 13,703,692                            | \$ 19,386,469  | \$ 20,295,721   | \$ 6,146,421                                |
| Dividends unaffiliated                                      | 32,453                                   | 524,118  | 513,382   | 105,885                                     |
| Foreign taxes withheld                                      | (4,423)                                  | (25,446)   | (28,211)  | (463)                                       |
| Dividends affiliated  | 4,189                                    | 3,734  | 3,961   | 655   |
| Total income  | 13,735,911                               | 19,888,875   | 20,784,853  | 6,252,498                                   |
| <b>Expenses</b>   |  |  |   |   |
| Investment advisory   | 1,377,788                                | 1,507,361  | 1,829,155   | 536,502                                     |
| Borrowing costs <sup>1</sup>                                |  | 157,545  | 287,672   | 56,223                                      |
| Professional  | 61,506                                   | 92,801   | 107,880   | 37,350                                      |
| Custodian   | 84,539                                   | 31,284   | 38,767  | 12,869                                      |
| Printing  | 44,981                                   | 27,549   | 36,586  | 19,138                                      |
| Accounting services   | 46,694                                   | 48,150   | 75,325  | 26,984                                      |
| Officer and Trustees  | 20,142                                   | 26,455   | 24,718  | 5,941                                       |
| Transfer agent  | 6,335                                    | 28,707   | 35,950  | 16,316                                      |
| Registration  | 4,648                                    | 5,320  | 7,053   | 8,078                                       |
| Miscellaneous   | 31,206                                   | 59,789   | 51,955  | 7,914                                       |
| Total expenses excluding interest expense                   | 1,677,839                                | 1,984,961  | 2,495,061   | 727,315                                     |
| Interest expense  | 98,065                                   | 575,503  | 579,463   | 123,291                                     |
| Total expenses  | 1,775,904                                | 2,560,464  | 3,074,524   | 850,606                                     |
| Less fees waived by advisor                                 | (1,242)                                  | (251)  | (280)   | (182)                                       |
| Total expenses after fees waived                            | 1,774,662                                | 2,560,213  | 3,074,244   | 850,424                                     |
| Net investment income                                       | 11,961,249                               | 17,328,662   | 17,710,609  | 5,402,074                                   |
| <b>Realized and Unrealized Gain (Loss)</b>                  |  |  |   |   |
| Net realized gain (loss) from:                              |  |  |   |   |
| Investments   | 5,700,028                                | (7,422,842)  | (7,951,066)   | (2,101,711)                                 |
| Financial futures contracts                                 | (488,853)                                | (3,965,704)  | (4,093,471)   | (355,406)                                   |
| Foreign currency transactions                               | 1,291,618                                | 4,242,701  | 3,686,985   | 794,255                                     |
| Options written   | (1,299,200)                              | 1,037,615  | 1,115,059   | 66,268                                      |
| Swaps   | 2,373,733                                | (235,126)  | (260,392)   |   |
| Borrowed bonds  | 198,493                                  |  |   |   |
|   | 7,775,819                                | (6,343,356)  | (7,502,885)   | (1,596,594)                                 |
| Net change in unrealized appreciation/depreciation on:      |  |  |   |   |
| Investments   | 11,315,471                               | 28,176,913   | 29,114,890  | 6,127,192                                   |
| Financial futures contracts                                 | 570,814                                  | 1,980,740  | 1,905,233   | 119,132                                     |
| Foreign currency transactions                               | (352,626)                                | (1,250,641)  | (1,340,227)   | (247,672)                                   |
| Options written   | 2,754,706                                | 528,155  | 536,217   | 29,737                                      |
| Swaps   | (2,879,831)                              | 562,508  | 572,710   |   |
|   | 11,408,534                               | 29,997,675   | 30,788,823  | 6,028,389                                   |
| Total realized and unrealized gain                          | 19,184,353                               | 23,654,319   | 23,285,938  | 4,431,795                                   |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 31,145,602</b>                     | <b>\$ 40,982,981</b>   | <b>\$ 40,996,547</b>  | <b>\$ 9,833,869</b>                         |

<sup>1</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

<sup>2</sup> Consolidated Statement of Operations.



See Notes to Financial Statements.

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## Statements of Operations

| Six Months Ended February 29, 2012 (Unaudited)              | BlackRock<br>High Yield<br>Trust<br>(BHY) | 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>Investment Income</b>                                    |   |  |   |   |
| Interest  | \$ 1,968,090                              | \$ 13,178,562  | \$ 15,589,898                               | \$ 4,225,515                                  |
| Dividends unaffiliated                                      | 32,622                                    | 34,719   |   | 50,374  |
| Foreign taxes withheld                                      |   | (955)  |   | (112)   |
| Dividends affiliated  | 573                                       | 5,866  | 7,075                                       | 533   |
| Total income  | 2,001,285                                 | 13,218,192   | 15,596,973                                  | 4,276,310                                     |
| <b>Expenses</b>   |   |  |   |   |
| Investment advisory   | 220,473                                   | 1,133,724  | 1,652,248                                   | 439,324                                       |
| Administration  | 24,497                                    | 188,954  | 381,288                                     |   |
| Borrowing costs <sup>1</sup>                                | 9,465                                     |  |   | 35,741  |
| Professional  | 31,231                                    | 53,963   | 74,846                                      | 36,129  |
| Custodian   | 8,735                                     | 53,624   |   | 7,466   |
| Printing  | 8,281                                     | 34,525   | 46,782                                      | 13,047  |
| Accounting services   | 16,711                                    | 61,105   | 49,643                                      | 29,124  |
| Officer and Trustees  | 2,313                                     | 17,963   | 39,765                                      | 5,766   |
| Transfer agent  | 7,595                                     | 10,914   | 66,142                                      | 7,466   |
| Registration  | 4,712                                     | 5,571  | 12,543                                      | 3,702   |
| Miscellaneous   | 3,446                                     | 23,164   | 35,126                                      | 9,776   |
| Total expenses excluding interest expense                   | 337,459                                   | 1,583,507  | 2,358,383                                   | 587,541                                       |
| Interest expense  | 26,738                                    | 95,802   | 198,057                                     | 106,339                                       |
| Total expenses  | 364,197                                   | 1,679,309  | 2,556,440                                   | 693,880                                       |
| Less fees waived by advisor                                 | (127)                                     | (1,573)  | (2,449)                                     | (133)   |
| Total expenses after fees waived                            | 364,070                                   | 1,677,736  | 2,553,991                                   | 693,747                                       |
| Net investment income                                       | 1,637,215                                 | 11,540,456   | 13,042,982                                  | 3,582,563                                     |
| <b>Realized and Unrealized Gain (Loss)</b>                  |   |  |   |   |
| Net realized gain (loss) from:                              |   |  |   |   |
| Investments   | (191,639)                                 | 4,792,702  | 6,541,724                                   | (313,281)                                     |
| Financial futures contracts                                 |   | (397,053)  | (5,092,718)                                 | (57,843)                                      |
| Foreign currency transactions                               | (2,883)                                   | 935,520  |   | 650,049                                       |
| Option written  |   | (629,788)  | 894,514                                     |   |
| Swaps   | 216,101                                   | 1,847,870  | 249,984                                     | 135,757                                       |
| Borrowed bonds  |   | 158,605  | 325,151                                     |   |
|   | 21,579                                    | 6,707,856  | 2,918,655                                   | 414,682                                       |
| Net change in unrealized appreciation/depreciation on:      |   |  |   |   |
| Investments   | 2,578,080                                 | 11,882,444   | 1,336,078                                   | 5,410,302                                     |
| Financial futures contracts                                 |   | 393,611  | (31,774)                                    | (11,359)                                      |
| Foreign currency transactions                               | (13,787)                                  | (250,064)  |   | (220,117)                                     |
| Option written  |   | 2,577,109  | (396,979)                                   | 1,915   |
| Swaps   | 44,601                                    | (2,706,648)  | (1,292,938)                                 | 46,113  |
| Borrowed bonds  |   |  | (25,860)                                    |   |
| Interest rate floors  |   |  | (132,104)                                   |   |
|   | 2,608,894                                 | 11,896,452   | (543,577)                                   | 5,226,854                                     |
| Total realized and unrealized gain                          | 2,630,473                                 | 18,604,308   | 2,375,078                                   | 5,641,536                                     |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 4,267,688</b>                       | <b>\$ 30,144,764</b>                                       | <b>\$ 15,418,060</b>                        | <b>\$ 9,224,099</b>                           |

<sup>1</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

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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 29,<br>2012<br>(Unaudited)              | Year Ended<br>August 31,<br>2011 | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) <sup>1</sup> | Year Ended<br>August 31,<br>2011 |
| <b>Increase (Decrease) in Net Assets:</b>            |   |                                  |   |                                  |
| <b>Operations</b>                                    |   |                                  |   |                                  |
| Net investment income                                | \$ 11,961,249   | \$ 22,314,162                    | \$ 17,328,662   | \$ 35,857,110                    |
| Net realized gain (loss)                             | 7,775,819   | (647,293)                        | (6,343,356)   | 14,918,241                       |
| Net change in unrealized appreciation/depreciation   | 11,408,534  | (9,184,462)                      | 29,997,675  | (12,682,377)                     |
| Net increase in net assets resulting from operations | 31,145,602  | 12,482,407                       | 40,982,981  | 38,092,974                       |
| <b>Dividends to Shareholders From</b>                |   |                                  |   |                                  |
| Net investment income                                | (10,863,257)  | (23,726,515)                     | (17,793,402)  | (35,008,792)                     |
| <b>Capital Share Transactions</b>                    |   |                                  |   |                                  |
| Reinvestment of dividends                            |   |                                  | 298,872   |                                  |
| <b>Net Assets</b>                                    |   |                                  |   |                                  |
| Total increase (decrease) in net assets              | 20,282,345  | (11,244,108)                     | 23,488,451  | 3,084,182                        |
| Beginning of period                                  | 372,295,457   | 383,539,565                      | 385,687,429   | 382,603,247                      |
| End of period  | \$ 392,577,802  | \$ 372,295,457                   | \$ 409,175,880  | \$ 385,687,429                   |
| Undistributed net investment income                  | \$ 4,582,677  | \$ 3,484,685                     | \$ 2,332,739  | \$ 2,797,479                     |
|  | BlackRock Corporate<br>High Yield Fund VI, Inc. (HYT)                   |                                  | BlackRock<br>High Income Shares (HIS)                                   |                                  |
|  | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) <sup>1</sup> | Year Ended<br>August 31,<br>2011 | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited)              | Year Ended<br>August 31,<br>2011 |
| <b>Increase (Decrease) in Net Assets:</b>            |   |                                  |   |                                  |
| <b>Operations</b>                                    |   |                                  |   |                                  |
| Net investment income                                | \$ 17,710,609   | \$ 37,473,827                    | \$ 5,402,074  | \$ 10,833,774                    |
| Net realized gain (loss)                             | (7,502,885)   | 14,913,681                       | (1,596,594)   | 2,844,466                        |
| Net change in unrealized appreciation/depreciation   | 30,788,823  | (13,209,144)                     | 6,028,389   | (3,103,981)                      |
| Net increase in net assets resulting from operations | 40,996,547  | 39,178,364                       | 9,833,869   | 10,574,259                       |
| <b>Dividends to Shareholders From</b>                |   |                                  |   |                                  |
| Net investment income                                | (18,464,091)  | (35,241,068)                     | (6,347,498)   | (11,407,404)                     |
| <b>Capital Share Transactions</b>                    |   |                                  |   |                                  |
| Reinvestment of dividends                            | 443,613   |                                  | 112,100   |                                  |
| <b>Net Assets</b>                                    |   |                                  |   |                                  |
| Total increase (decrease) in net assets              | 22,976,069  | 3,937,296                        | 3,598,471   | (833,145)                        |
| Beginning of period                                  | 405,697,106   | 401,759,810                      | 118,808,546   | 119,641,691                      |
| End of period  | \$ 428,673,175  | \$ 405,697,106                   | \$ 122,407,017  | \$ 118,808,546                   |
| Undistributed net investment income                  | \$ 3,582,027  | \$ 4,335,509                     | \$ 1,085,651  | \$ 2,031,075                     |

<sup>1</sup> Consolidated Statement of Changes in Net Assets.

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See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|   | BlackRock<br>High Yield Trust (BHY)                        |                                  | BlackRock Corporate<br>Income Opportunity Trust (BNA)      |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended<br>August 31,<br>2011 | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) | Year Ended<br>August 31,<br>2011 |
| <b>Increase (Decrease) in Net Assets:</b>   |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 1,637,215   | \$ 3,268,780                     | \$ 11,540,456  | \$ 21,766,357                    |
| Net realized gain (loss)  | 21,579   | (862,713)                        | 6,707,856  | 2,874,735                        |
| Net change in unrealized appreciation/depreciation                                | 2,608,894  | 1,613,207                        | 11,896,452   | (12,557,938)                     |
| Net increase in net assets resulting from operations                              | 4,267,688  | 4,019,274                        | 30,144,764   | 12,083,154                       |
| <b>Dividends and Distributions to Shareholders From</b>                           |  |                                  |  |                                  |
| Net investment income   | (1,677,622)  | (3,278,764)                      | (10,888,214)   | (22,287,310)                     |
| Tax return of capital   |  | (76,404)                         |  |                                  |
| Decrease in net assets resulting from dividends and distributions to shareholders | (1,677,622)  | (3,355,168)                      | (10,888,214)   | (22,287,310)                     |
| <b>Capital Share Transactions</b>   |  |                                  |  |                                  |
| Reinvestment of dividends   | 5,245  |                                  |  |                                  |
| <b>Net Assets</b>   |  |                                  |  |                                  |
| Total increase (decrease) in net assets   | 2,595,311  | 664,106                          | 19,256,550   | (10,204,156)                     |
| Beginning of period   | 43,644,238   | 42,980,132                       | 371,175,320  | 381,379,476                      |
| End of period   | \$ 46,239,549  | \$ 43,644,238                    | \$ 390,431,870   | \$ 371,175,320                   |
| Undistributed (distribution in excess of) net investment income                   | \$ (147,925)   | \$ (107,518)                     | \$ 4,964,408   | \$ 4,312,166                     |
| <b>Increase (Decrease) in Net Assets:</b>   |  |                                  |  |                                  |
| <b>Operations</b>   |  |                                  |  |                                  |
| Net investment income   | \$ 13,042,982  | \$ 22,089,670                    | \$ 3,582,563   | \$ 7,484,893                     |
| Net realized gain (loss)  | 2,918,655  | (866,088)                        | 414,682  | 1,355,512                        |
| Net change in unrealized appreciation/depreciation                                | (543,577)  | 13,053,505                       | 5,226,854  | (1,662,468)                      |
| Net increase in net assets resulting from operations                              | 15,418,060   | 34,277,087                       | 9,224,099  | 7,177,937                        |
| <b>Dividends to Shareholders From</b>   |  |                                  |  |                                  |
| Net investment income   | (14,770,728)   | (21,772,433)                     | (4,072,697)  | (7,845,469)                      |
| <b>Net Assets</b>   |  |                                  |  |                                  |
| Total increase (decrease) in net assets   | 647,332  | 12,504,654                       | 5,151,402  | (667,532)                        |
| Beginning of period   | 508,764,507  | 496,259,853                      | 95,126,639   | 95,794,171                       |
| End of period   | \$ 509,411,839   | \$ 508,764,507                   | \$ 100,278,041   | \$ 95,126,639                    |
| Undistributed (distribution in excess of) net investment income                   | \$ (1,761,219)   | \$ (33,473)                      | \$ 284,229   | \$ 774,363                       |

See Notes to Financial Statements.



## Statements of Cash Flows

| Six Months Ended February 29, 2012 (Unaudited)  | BlackRock<br>Core Bond<br>Trust<br>(BHK) | BlackRock<br>Corporate<br>High Yield<br>Fund V, Inc.<br>(HYV) <sup>1</sup> | BlackRock<br>Corporate<br>High Yield<br>Fund VI, Inc.<br>(HYT) <sup>1</sup> | BlackRock<br>High Income<br>Shares<br>(HIS) |
|---|--|--|---|---|
| <b>Cash Provided by Operating Activities</b>  |  |  |   |   |
| Net increase in net assets resulting from operations  | \$ 31,145,602                            | \$ 40,982,981  | \$ 40,996,547   | \$ 9,833,869                                |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |  |  |   |   |
| Decrease in interest receivable   | 220,744                                  | 535,877  | 604,542   | 154,258                                     |
| Decrease in swaps receivable  | 506,613                                  | 27,721   | 24,538  |   |
| Increase in other assets  | (3,053)                                  | (88,889)   | (91,377)  | (548)                                       |
| (Increase) decrease in prepaid expenses   | (7,050)                                  |  | 56,225  | 15,014                                      |
| Decrease in commitment fees receivable  | 3,731                                    |  |   |   |
| Decrease in dividends receivable unaffiliated   | 10,384                                   | 1,220  | 847   | 6,506                                       |
| Increase in margin variation receivable   |  | (62,650)   | (66,850)  | (13,300)                                    |
| Decrease in dividends receivable affiliated   | 266                                      | 392  | 382   | 72  |
| Decrease in cash pledged as collateral for financial futures contracts  | 765,000                                  | 2,165,000  | 2,093,000   | 403,000                                     |
| Decrease in cash pledged as collateral in connection with options written   |  | 906,360  | 952,770   |   |
| Increase in cash pledged as collateral for swaps  | (1,970,000)                              | (400,000)  | (400,000)   |   |
| Increase in deferred income   |  | 95,256   | 100,158   | 29,350                                      |
| Increase (decrease) in investment advisory fees payable   | 76,862                                   | (12,599)   | (16,341)  | (7,033)                                     |
| Decrease in interest expense payable  | (52,151)                                 | (9,851)  | (9,737)   | (27,998)                                    |
| Decrease in other liabilities   | 237,774                                  |  |   |   |
| Increase (decrease) in other accrued expenses payable   | (161,197)                                | (12,858)   | 133,706   | (70,831)                                    |
| Decrease in margin variation payable  | (199,470)                                | (261,673)  | (356,378)   | (50,368)                                    |
| Decrease in swaps payable   | (5,052)                                  | (487,229)  | (479,851)   |   |
| Increase (decrease) in Officers and Trustees fees payable   | 22,408                                   | (91,058)   | 14,419  | 557   |
| Decrease in cash held as collateral for swaps   | (700,000)                                |  |   |   |
| Decrease in cash held as collateral for reverse repurchase agreements   | (1,779,000)                              |  |   |   |
| Net periodic and termination payments of swaps  | 532,656                                  | 522,466  | 552,734   |   |
| Net realized and unrealized gain on investments   | (15,677,801)                             | (21,604,329)   | (22,023,004)  | (3,842,088)                                 |
| Amortization of premium and accretion of discount on investments  | (1,466,113)                              | 21,333   | (44,928)  | (298,485)                                   |
| Premiums received from options written  | 7,433,443                                | 1,103,619  | 1,211,749   | 164,410                                     |
| Proceeds from sales of long-term investments  | 964,225,749                              | 133,773,077  | 140,473,378   | 40,639,408                                  |
| Purchases of long-term investments  | (986,486,045)                            | (142,140,574)  | (148,638,714)   | (39,365,626)                                |
| Proceeds from borrowed bond transactions  | 35,247,804                               |  |   |   |
| Payments for borrowed bond transactions   | (20,160,584)                             |  |   |   |
| Net proceeds from sales (purchases) of short-term securities  | 4,547,876                                | 1,171,689  | 941,235   | (18,364)                                    |
| Premiums paid on closing options written  | (9,071,630)                              | (904,284)  | (1,017,357)   | (61,155)                                    |
| Cash provided by operating activities   | 7,237,766                                | 15,230,997   | 15,011,693  | 7,490,648                                   |
| <b>Cash Used for Financing Activities</b>   |  |  |   |   |
| Cash receipts from borrowings   | 261,483,199                              | 52,000,000   | 59,000,000  | 13,000,000                                  |
| Cash payments on borrowings   | (257,960,074)                            | (50,000,000)   | (56,000,000)  | (14,000,000)                                |
| Cash dividends paid   | (10,861,837)                             | (17,568,915)   | (18,115,490)  | (6,261,344)                                 |
| Decrease in bank overdraft  |  | 466,920  | 245,533   |   |
| Cash used for financing activities  | (7,338,712)                              | (15,101,995)   | (14,869,957)  | (7,261,344)                                 |

**Cash Impact from Foreign Exchange Fluctuations**



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|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Cash impact from foreign exchange fluctuations | (262) | 2,462 | 6,441 | 1,885 |
|--|-------|-------|-------|-------|

**Cash and Foreign Currency**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Net increase (decrease) in cash and foreign currency | (101,208)  | 131,464    | 148,177    | 231,189    |
| Cash and foreign currency at beginning of period     | 329,783    | 230,472    | 224,348    | 20,474     |
| Cash and foreign currency at end of period           | \$ 228,575 | \$ 361,936 | \$ 372,525 | \$ 251,663 |

**Cash Flow Information**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Cash paid during the period for interest | \$ 150,216 | \$ 585,354 | \$ 589,200 | \$ 151,289 |
|--|------------|------------|------------|------------|

**Noncash Financing Activities**

|   |    |         |    |         |    |         |
|---|----|---------|----|---------|----|---------|
| Capital shares issued in reinvestments of dividends | \$ | 298,872 | \$ | 443,613 | \$ | 112,100 |
|---|----|---------|----|---------|----|---------|

<sup>1</sup> Consolidated Statement of Cash Flows.

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.

## Statements of Cash Flows

| Six Months Ended February 29, 2012 (Unaudited)  | BlackRock<br>High Yield<br>Trust<br>(BHY) | BlackRock<br>Income<br>Opportunity<br>Trust, Inc.<br>(BNA) | BlackRock<br>Income Trust,<br>Inc.<br>(BKT) | BlackRock<br>Strategic<br>Bond Trust<br>(BHD) |
|---|---|--|---|---|
| <b>Cash Provided by (Used for) Operating Activities</b>   |   |  |   |   |
| Net increase in net assets resulting from operations  | \$ 4,267,688                              | \$ 30,144,764  | \$ 15,418,060                               | \$ 9,224,099                                  |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |   |  |   |   |
| (Increase) decrease in interest receivable  | (70,677)                                  | 280,944  | 82,014                                      | 59,606  |
| (Increase) decrease in swaps receivable   | 226,581                                   | 541,534  | (48,555)                                    | (1,254)                                       |
| Increase in other assets  | (750)                                     | (9,877)  | (5,025)                                     | (473)   |
| Decrease in prepaid expenses  | 6,969                                     | 6,301  | 9,255                                       | 17,190  |
| (Increase) decrease in dividends receivable unaffiliated  | 678                                       |  | 336   | (787)   |
| Increase in margin variation receivable   |   | (44,549)   | (190,670)                                   | (2,211)                                       |
| Decrease in dividends receivable affiliated   | 73  | 564  |   | 58  |
| Increase in cash held as collateral for financial futures contracts   |   |  |   | (21,000)                                      |
| (Increase) decrease in cash pledged as collateral for financial futures contracts   |   | (418,000)  | 705,000                                     |   |
| Increase in cash pledged as collateral in connection with reverse repurchase agreements                                     |   |  | (330,000)                                   |   |
| Increase in cash pledged as collateral for swaps  |   | (1,200,000)  | (1,760,000)                                 |   |
| Increase in deferred income   | 13,158                                    |  |   | 29,038  |
| Decrease in cash held as collateral for swaps   |   |  | 600,000                                     |   |
| Increase (decrease) in investment advisory fees payable   | 18,899                                    | 55,707   | 108,161                                     | (3,573)                                       |
| Decrease in interest expense payable  | (4,335)                                   | (45,887)   | (7,279)                                     | (1,494)                                       |
| Decrease in other affiliates payable  |   |  |   | (2,056)                                       |
| Increase in other liabilities   |   | 1,169,558  |   |   |
| Decrease in administration fees payable   | (17,197)                                  | (62,081)   | (130,466)                                   |   |
| Decrease in other accrued expenses payable  | (56,243)                                  | (379,763)  | (104,691)                                   | (80,137)                                      |
| Decrease in margin variation payable  |   | (201,161)  |   | (6,188)                                       |
| Increase (decrease) in swaps payable  | 992                                       | (36,683)   | 28,358                                      | (2,548)                                       |
| Increase in Officers' and Trustees' fees payable  | 920                                       | 6,505  | 5,096                                       | 2,105   |
| Net periodic and termination payments of swaps  | (66,568)                                  | 279,384  | (74,894)                                    | (24,363)                                      |
| Net realized and unrealized gain on investments   | (2,415,100)                               | (16,694,138)   | (7,244,561)                                 | (4,903,679)                                   |
| Amortization of premium and accretion of discount on investments  | 4,010                                     | (178,613)  | 3,829,752                                   | 1,629   |
| Premiums received from options written  |   | 7,448,324  | 612,468                                     | 50,160  |
| Proceeds from sales of long-term investments  | 12,364,219                                | 955,015,224  | 1,860,412,652                               | 27,579,825                                    |
| Purchases of long-term investments  | (18,038,274)                              | (987,783,135)  | (1,791,501,250)                             | (29,329,396)                                  |
| Proceeds from borrowed bond transactions  |   | 48,407,777   | 38,969,154                                  |   |
| Payments for borrowed bond transactions   |   | (30,839,360)   | (25,849,756)                                |   |
| Net proceeds from sales (purchases) of short-term securities  | (559,457)                                 | 2,404,665  | (8,589,512)                                 | 582,875                                       |
| Premiums paid on closing options written  |   | (7,985,925)  | (254,183)                                   |   |
| Cash provided by (used for) operating activities  | (4,324,414)                               | (117,921)  | 84,689,464                                  | 3,167,426                                     |
| <b>Cash Provided by (Used for) Financing Activities</b>   |   |  |   |   |
| Cash receipts from borrowings   | 8,000,000                                 | 270,683,969  | 335,305,511                                 | 9,000,000                                     |
| Cash payments on borrowings   | (2,000,000)                               | (259,588,369)  | (405,290,368)                               | (8,000,000)                                   |
| Cash dividends paid   | (1,674,220)                               | (10,885,602)   | (14,739,949)                                | (4,072,822)                                   |
| Decrease in bank overdraft  |   | (3,771)  |   |   |
| Cash provided by (used for) financing activities  | 4,325,780                                 | 206,227  | (84,724,806)                                | (3,072,822)                                   |

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**Cash Impact from Foreign Exchange Fluctuations**

|  |    |         |  |     |
|--|----|---------|--|-----|
| Cash impact from foreign exchange fluctuations | 14 | (2,021) |  | 603 |
|--|----|---------|--|-----|

**Cash and Foreign Currency**

|  |          |            |           |            |
|--|----------|------------|-----------|------------|
| Net increase (decrease) in cash and foreign currency | 1,380    | 86,285     | (35,342)  | 95,207     |
| Cash and foreign currency at beginning of period     |          | 104,439    | 59,780    | 13,941     |
| Cash and foreign currency at end of period           | \$ 1,380 | \$ 190,724 | \$ 24,438 | \$ 109,148 |

**Cash Flow Information**

|  |           |            |            |          |
|--|-----------|------------|------------|----------|
| Cash paid during the period for interest | \$ 31,073 | \$ 141,689 | \$ 205,336 | \$ 1,494 |
|--|-----------|------------|------------|----------|

**Noncash Financing Activities**

|   |          |  |  |  |
|---|----------|--|--|--|
| Capital shares issued in reinvestments of dividends | \$ 5,245 |  |  |  |
|---|----------|--|--|--|

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.

## Financial Highlights

## BlackRock Core Bond Trust (BHK)

|   | Six Months<br>Ended<br>February<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                   | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31,<br>2007 |            | 2006 |
|---|---|-----------------------|-------------------|-------------------|---|-----------------------------------|------------|------|
|   |   | 2011                  | 2010              | 2009              |   | 2007                              | 2006       |      |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |   |                                   |            |      |
| Net asset value, beginning of period  | \$ 13.78  | \$ 14.19              | \$ 12.56          | \$ 12.81          | \$ 13.63  | \$ 13.82                          | \$ 14.27   |      |
| Net investment income   | 0.44 <sub>1</sub>   | 0.83 <sub>1</sub>     | 0.87 <sub>1</sub> | 0.80 <sub>1</sub> | 0.50 <sub>1</sub>   | 0.74                              | 0.66       |      |
| Net realized and unrealized gain (loss)   | 0.71  | (0.36)                | 1.76              | (0.28)            | (0.69)  | (0.13)                            | 0.11       |      |
| Net increase (decrease) from investment operations                                  | 1.15  | 0.47                  | 2.63              | 0.52              | (0.19)  | 0.61                              | 0.77       |      |
| Dividends and distributions from:   |   |                       |                   |                   |   |                                   |            |      |
| Net investment income   | (0.40)  | (0.88)                | (1.00)            | (0.77)            | (0.61)  | (0.61)                            | (0.93)     |      |
| Net realized gain   |   |                       |                   |                   |   |                                   | (0.29)     |      |
| Tax return of capital   |   |                       |                   |                   | (0.02)  | (0.19)                            |            |      |
| Total dividends and distributions   | (0.40)  | (0.88)                | (1.00)            | (0.77)            | (0.63)  | (0.80)                            | (1.22)     |      |
| Net asset value, end of period  | \$ 14.53  | \$ 13.78              | \$ 14.19          | \$ 12.56          | \$ 12.81  | \$ 13.63                          | \$ 13.82   |      |
| Market price, end of period   | \$ 14.19  | \$ 12.69              | \$ 13.92          | \$ 11.98          | \$ 11.51  | \$ 12.23                          | \$ 12.86   |      |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |   |                                   |            |      |
| Based on net asset value  | 8.63% <sup>3</sup>  | 4.02%                 | 22.44%            | 5.28%             | (1.00)% <sup>3</sup>                                      | 5.04%                             | 6.20%      |      |
| Based on market price   | 15.20% <sup>3</sup>   | (2.35)%               | 25.93%            | 11.76%            | (0.87)% <sup>3</sup>                                      | 1.29%                             | 3.07%      |      |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                   |   |                                   |            |      |
| Total expenses  | 0.93% <sup>4</sup>  | 1.02%                 | 1.18%             | 1.06%             | 2.29% <sup>4</sup>  | 1.60%                             | 1.08%      |      |
| Total expenses after fees waived and paid indirectly                                | 0.93% <sup>4</sup>  | 1.02%                 | 1.18%             | 1.06%             | 2.29% <sup>4</sup>  | 1.60%                             | 1.08%      |      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.88% <sup>4</sup>  | 0.93%                 | 0.95%             | 0.83%             | 0.89% <sup>4</sup>  | 0.78%                             | 0.77%      |      |
| Net investment income   | 6.30% <sup>4</sup>  | 6.05%                 | 6.62%             | 7.09%             | 4.55% <sup>4</sup>  | 5.36%                             | 4.78%      |      |
| <b>Supplemental Data</b>  |   |                       |                   |                   |   |                                   |            |      |
| Net assets, end of period (000)   | \$ 392,578  | \$ 372,295            | \$ 383,540        | \$ 339,524        | \$ 346,177  | \$ 368,335                        | \$ 373,518 |      |
| Borrowings outstanding, end of period (000)   | \$ 157,136  | \$ 152,301            | \$ 168,938        | \$ 74,572         | \$ 107,690  | \$ 103,354                        | \$ 3,911   |      |
| Average borrowings outstanding, during the period (000)                             | \$ 123,070  | \$ 151,080            | \$ 162,760        | \$ 73,467         | \$ 134,784  | \$ 44,786                         | \$ 25,340  |      |
| Portfolio turnover  | 188% <sup>5</sup>   | 824% <sup>6</sup>     | 641% <sup>7</sup> | 315% <sup>8</sup> | 598% <sup>9</sup>   | 122%                              | 88%        |      |
| Asset coverage, end of period per \$1,000   | \$ 3,498  | \$ 3,444              | \$ 3,270          | \$ 5,553          | \$ 4,215  | \$ 4,564                          | \$ 96,502  |      |

<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.

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- <sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 139%.
- <sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 544%.
- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 534%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 337%.

See Notes to Financial Statements.

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## Financial Highlights

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

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) <sup>1</sup> | Year Ended August 31, |            |            |            |            |
|---|---|-----------------------|------------|------------|------------|------------|
|   |   | 2011                  | 2010       | 2009       | 2008       | 2007       |
| <b>Per Share Operating Performance</b>  |   |                       |            |            |            |            |
| Net asset value, beginning of period  | \$ 11.71  | \$ 11.61              | \$ 9.71    | \$ 11.94   | \$ 13.83   | \$ 14.10   |
| Net investment income <sup>2</sup>  | 0.53  | 1.09                  | 1.06       | 1.07       | 1.18       | 1.20       |
| Net realized and unrealized gain (loss)   | 0.71  | 0.07                  | 1.86       | (2.10)     | (1.85)     | (0.33)     |
| Net increase (decrease) from investment operations                                  | 1.24  | 1.16                  | 2.92       | (1.03)     | (0.67)     | 0.87       |
| Dividends and distributions from:   |   |                       |            |            |            |            |
| Net investment income   | (0.54)  | (1.06)                | (1.02)     | (1.20)     | (1.17)     | (1.14)     |
| Net realized gain   |   |                       |            |            | (0.05)     |            |
| Total dividends and distributions   | (0.54)  | (1.06)                | (1.02)     | (1.20)     | (1.22)     | (1.14)     |
| Net asset value, end of period  | \$ 12.41  | \$ 11.71              | \$ 11.61   | \$ 9.71    | \$ 11.94   | \$ 13.83   |
| Market price, end of period   | \$ 12.88  | \$ 11.55              | \$ 11.40   | \$ 9.32    | \$ 10.15   | \$ 12.24   |
| <b>Total Investment Return<sup>3</sup></b>  |   |                       |            |            |            |            |
| Based on net asset value  | 11.05% <sup>4</sup>   | 10.29%                | 31.40%     | (3.83)%    | (3.99)%    | 6.76%      |
| Based on market price   | 16.85% <sup>4</sup>   | 10.79%                | 34.42%     | 8.59%      | (7.78)%    | 4.00%      |
| <b>Ratios to Average Net Assets</b>   |   |                       |            |            |            |            |
| Total expenses  | 1.34% <sup>5</sup>  | 1.34%                 | 1.26%      | 1.84%      | 2.11%      | 3.20%      |
| Total expenses after fees waived and paid indirectly                                | 1.34% <sup>5</sup>  | 1.34%                 | 1.26%      | 1.84%      | 2.11%      | 3.20%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.04% <sup>5</sup>  | 1.02%                 | 0.99%      | 1.16%      | 0.97%      | 0.99%      |
| Net investment income   | 9.06% <sup>5</sup>  | 8.82%                 | 9.52%      | 13.00%     | 9.16%      | 8.23%      |
| <b>Supplemental Data</b>  |   |                       |            |            |            |            |
| Net assets, end of period (000)   | \$ 409,176  | \$ 385,687            | \$ 382,603 | \$ 320,045 | \$ 393,389 | \$ 455,710 |
| Borrowings outstanding, end of period (000)   | \$ 131,000  | \$ 129,000            | \$ 92,000  | \$ 54,000  | \$ 94,700  | \$ 127,700 |
| Average borrowings outstanding, during the period (000)                             | \$ 120,489  | \$ 119,652            | \$ 79,427  | \$ 65,403  | \$ 106,140 | \$ 188,373 |
| Portfolio turnover  | 29%   | 87%                   | 90%        | 65%        | 46%        | 51%        |
| Asset coverage, end of period per \$1,000   | \$ 4,123  | \$ 3,990              | \$ 5,159   | \$ 6,927   | \$ 5,154   | \$ 4,569   |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</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>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

See Notes to Financial Statements.



## Financial Highlights

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

|   | Six Months<br>Ended<br>February 29,<br>2012<br>(Unaudited) <sup>1</sup> | 2011       | 2010       | Year Ended August 31, |            |            | 2007 |
|---|---|------------|------------|-----------------------|------------|------------|------|
|   |   |            |            | 2009                  | 2008       |            |      |
| <b>Per Share Operating Performance</b>  |   |            |            |                       |            |            |      |
| Net asset value, beginning of period  | \$ 11.49  | \$ 11.38   | \$ 9.68    | \$ 11.89              | \$ 13.81   | \$ 14.12   |      |
| Net investment income <sup>2</sup>  | 0.50  | 1.06       | 1.05       | 1.05                  | 1.16       | 1.18       |      |
| Net realized and unrealized gain (loss)   | 0.66  | 0.05       | 1.67       | (2.07)                | (1.87)     | (0.39)     |      |
| Net increase (decrease) from investment operations                                  | 1.16  | 1.11       | 2.72       | (1.02)                | (0.71)     | 0.79       |      |
| Dividends and distributions from:   |   |            |            |                       |            |            |      |
| Net investment income   | (0.52)  | (1.00)     | (1.02)     | (1.19)                | (1.21)     | (1.10)     |      |
| Net realized gain   |   |            |            |                       |            |            |      |
| Total dividends and distributions   | (0.52)  | (1.00)     | (1.02)     | (1.19)                | (1.21)     | (1.10)     |      |
| Net asset value, end of period  | \$ 12.13  | \$ 11.49   | \$ 11.38   | \$ 9.68               | \$ 11.89   | \$ 13.81   |      |
| Market price, end of period   | \$ 12.44  | \$ 11.21   | \$ 11.19   | \$ 9.47               | \$ 10.14   | \$ 12.15   |      |
| <b>Total Investment Return<sup>3</sup></b>  |   |            |            |                       |            |            |      |
| Based on net asset value  | 10.55% <sup>4</sup>   | 9.95%      | 29.26%     | (4.03)%               | (4.30)%    | 6.29%      |      |
| Based on market price   | 16.21% <sup>4</sup>   | 9.09%      | 29.92%     | 10.09%                | (7.24)%    | 5.80%      |      |
| <b>Ratios to Average Net Assets</b>   |   |            |            |                       |            |            |      |
| Total expenses  | 1.53% <sup>5</sup>  | 1.41%      | 1.34%      | 2.01%                 | 2.24%      | 3.35%      |      |
| Total expenses after fees waived and paid indirectly                                | 1.53% <sup>5</sup>  | 1.41%      | 1.34%      | 2.01%                 | 2.24%      | 3.35%      |      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.24% <sup>5</sup>  | 1.12%      | 1.09%      | 1.28%                 | 1.10%      | 1.12%      |      |
| Net investment income   | 8.81% <sup>5</sup>  | 8.80%      | 9.52%      | 12.82%                | 9.02%      | 8.03%      |      |
| <b>Supplemental Data</b>  |   |            |            |                       |            |            |      |
| Net assets, end of period (000)   | \$ 428,673  | \$ 405,697 | \$ 401,760 | \$ 341,415            | \$ 419,502 | \$ 487,251 |      |
| Borrowings outstanding, end of period (000)   | \$ 133,000  | \$ 130,000 | \$ 89,000  | \$ 58,000             | \$ 110,900 | \$ 135,900 |      |
| Average borrowings outstanding, during the period (000)                             | \$ 121,319  | \$ 115,512 | \$ 76,356  | \$ 73,784             | \$ 113,996 | \$ 202,705 |      |
| Portfolio turnover  | 29%   | 87%        | 85%        | 60%                   | 45%        | 51%        |      |
| Asset coverage, end of period per \$1,000   | \$ 4,223  | \$ 4,121   | \$ 5,514   | \$ 6,886              | \$ 4,783   | \$ 4,585   |      |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</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>4</sup> Aggregate total investment return.

<sup>5</sup> Annualized.

See Notes to Financial Statements.





## Financial Highlights

## BlackRock High Income Shares (HIS)

|   | Six Months<br>Ended<br>February<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                   | Period<br>January 1,<br>2008 to<br>August 31,<br>2008 | Year Ended<br>December 31, |            |
|---|---|-----------------------|-------------------|-------------------|---|----------------------------|------------|
|   |   | 2011                  | 2010              | 2009              |   | 2007                       | 2006       |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |   |                            |            |
| Net asset value, beginning of period  | \$ 2.18   | \$ 2.19               | \$ 1.85           | \$ 2.23           | \$ 2.47   | \$ 2.68                    | \$ 2.61    |
| Net investment income   | 0.09 <sub>1</sub>   | 0.20 <sub>1</sub>     | 0.20 <sub>1</sub> | 0.19 <sub>1</sub> | 0.15 <sub>1</sub>                                     | 0.24                       | 0.22       |
| Net realized and unrealized gain (loss)   | 0.09  |                       | 0.31              | (0.36)            | (0.26)  | (0.21)                     | 0.08       |
| Net increase (decrease) from<br>investment operations                                     | 0.18  | 0.20                  | 0.51              | (0.17)            | (0.11)  | 0.03                       | 0.30       |
| Dividends from net investment income  | (0.12)  | (0.21)                | (0.17)            | (0.21)            | (0.13)  | (0.24)                     | (0.23)     |
| Net asset value, end of period  | \$ 2.24   | \$ 2.18               | \$ 2.19           | \$ 1.85           | \$ 2.23   | \$ 2.47                    | \$ 2.68    |
| Market price, end of period   | \$ 2.32   | \$ 2.10               | \$ 2.09           | \$ 1.68           | \$ 1.88   | \$ 2.14                    | \$ 2.55    |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |   |                            |            |
| Based on net asset value  | 8.54% <sup>3</sup>  | 9.56%                 | 28.95%            | (3.01)%           | (4.00)% <sup>3</sup>                                  | 1.58%                      | 12.32%     |
| Based on market price   | 16.70% <sup>3</sup>   | 10.59%                | 35.52%            | 4.47%             | (6.59)% <sup>3</sup>                                  | (7.51)%                    | 19.70%     |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                   |   |                            |            |
| Total expenses  | 1.45% <sup>4</sup>  | 1.49%                 | 1.49%             | 2.01%             | 1.98% <sup>4</sup>                                    | 3.56%                      | 3.78%      |
| Total expenses after fees waived and<br>paid indirectly                                   | 1.45% <sup>4</sup>  | 1.49%                 | 1.49%             | 2.01%             | 1.98% <sup>4</sup>                                    | 3.55%                      | 3.77%      |
| Total expenses after fees waived and<br>paid indirectly and excluding interest<br>expense | 1.24% <sup>4</sup>  | 1.25%                 | 1.27%             | 1.41%             | 1.05% <sup>4</sup>                                    | 1.27%                      | 1.34%      |
| Net investment income   | 9.20% <sup>4</sup>  | 8.66%                 | 9.34%             | 12.06%            | 9.52% <sup>4</sup>                                    | 8.89%                      | 8.42%      |
| <b>Supplemental Data</b>  |   |                       |                   |                   |   |                            |            |
| Net assets, end of period (000)   | \$ 122,407  | \$ 118,809            | \$ 119,642        | \$ 100,921        | \$ 121,808  | \$ 135,098                 | \$ 146,538 |
| Borrowings outstanding, end of period<br>(000)  | \$ 28,000   | \$ 29,000             | \$ 25,000         | \$ 18,000         | \$ 27,000   | \$ 46,000                  | \$ 62,000  |
| Average borrowings outstanding,<br>during the period (000)                                | \$ 25,830   | \$ 26,729             | \$ 21,027         | \$ 21,220         | \$ 27,069   | \$ 55,868                  | \$ 62,838  |
| Portfolio turnover  | 30%   | 90%                   | 85%               | 55%               | 25%   | 69%                        | 83%        |
| Asset coverage, end of period per<br>\$1,000  | \$ 5,372  | \$ 5,097              | \$ 5,786          | \$ 6,607          | \$ 5,512  | \$ 3,937                   | \$ 3,364   |

<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 Yield Trust (BHY)

|   | Six Months<br>Ended<br>February<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                      | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31, |           |
|---|---|-----------------------|-------------------|----------------------|---|---------------------------|-----------|
|   |   | 2011                  | 2010              | 2009                 |   | 2007                      | 2006      |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                      |   |                           |           |
| Net asset value, beginning of period  | \$ 6.79   | \$ 6.69               | \$ 5.78           | \$ 6.84              | \$ 7.91   | \$ 7.85                   | \$ 7.48   |
| Net investment income   | 0.25 <sup>1</sup>   | 0.51 <sup>1</sup>     | 0.51 <sup>1</sup> | 0.51 <sup>1</sup>    | 0.50 <sup>1</sup>   | 0.63                      | 0.66      |
| Net realized and unrealized gain (loss)   | 0.41  | 0.11                  | 0.92              | (1.00)               | (1.06)  | 0.04                      | 0.36      |
| Net increase (decrease) from investment operations                                  | 0.66  | 0.62                  | 1.43              | (0.49)               | (0.56)  | 0.67                      | 1.02      |
| Dividends and distributions from:   |   |                       |                   |                      |   |                           |           |
| Net investment income   | (0.26)  | (0.51)                | (0.50)            | (0.55)               | (0.51)  | (0.61)                    | (0.65)    |
| Tax return of capital   |   | (0.01)                | (0.02)            | (0.02)               |   |                           |           |
| Total dividends and distributions   | (0.26)  | (0.52)                | (0.52)            | (0.57)               | (0.51)  | (0.61)                    | (0.65)    |
| Net asset value, end of period  | \$ 7.19   | \$ 6.79               | \$ 6.69           | \$ 5.78              | \$ 6.84   | \$ 7.91                   | \$ 7.85   |
| Market price, end of period   | \$ 7.21   | \$ 6.60               | \$ 6.44           | \$ 5.84              | \$ 5.96   | \$ 6.92                   | \$ 7.77   |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                      |   |                           |           |
| Based on net asset value  | 10.07% <sup>3</sup>   | 9.66%                 | 25.70%            | (5.30)% <sup>3</sup> | (6.47)% <sup>3</sup>                                      | 9.03%                     | 14.25%    |
| Based on market price   | 13.56% <sup>3</sup>   | 10.73%                | 19.76%            | 9.81%                | (6.85)% <sup>3</sup>                                      | (3.63)%                   | 14.93%    |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                      |   |                           |           |
| Total expenses  | 1.68% <sup>4</sup>  | 2.04%                 | 2.10%             | 2.61%                | 2.61% <sup>4</sup>  | 4.16%                     | 4.50%     |
| Total expenses after fees waived and paid indirectly                                | 1.68% <sup>4</sup>  | 2.04%                 | 2.10%             | 2.61%                | 2.61% <sup>4</sup>  | 4.14%                     | 4.49%     |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.55% <sup>4</sup>  | 1.85%                 | 1.91%             | 2.16%                | 1.77% <sup>4</sup>  | 2.10%                     | 2.19%     |
| Net investment income   | 7.53% <sup>4</sup>  | 7.18%                 | 7.89%             | 10.22%               | 8.34% <sup>4</sup>  | 7.84%                     | 8.74%     |
| <b>Supplemental Data</b>  |   |                       |                   |                      |   |                           |           |
| Net assets end of period (000)  | \$ 46,240   | \$ 43,644             | \$ 42,980         | \$ 37,137            | \$ 43,897   | \$ 50,782                 | \$ 50,385 |
| Borrowings outstanding, end of period (000)   | \$ 12,000   | \$ 6,000              | \$ 8,000          | \$ 4,000             | \$ 6,250  | \$ 9,250                  | \$ 20,250 |
| Average borrowings outstanding, during the period (000)                             | \$ 5,599  | \$ 7,427              | \$ 6,427          | \$ 5,223             | \$ 7,443  | \$ 17,710                 | \$ 20,621 |
| Portfolio turnover  | 28%   | 81%                   | 80%               | 54%                  | 34%   | 69%                       | 85%       |
| Asset coverage, end of period per \$1,000   | \$ 4,853  | \$ 8,274              | \$ 6,373          | \$ 10,284            | \$ 8,023  | \$ 6,490                  | \$ 3,488  |

<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<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                   | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31, |            |
|---|---|-----------------------|-------------------|-------------------|---|---------------------------|------------|
|   |   | 2011                  | 2010              | 2009              |   | 2007                      | 2006       |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |   |                           |            |
| Net asset value, beginning of period  | \$ 10.77  | \$ 11.07              | \$ 10.02          | \$ 10.35          | \$ 11.02  | \$ 11.17                  | \$ 11.56   |
| Net investment income   | 0.33 <sub>1</sub>   | 0.63 <sub>1</sub>     | 0.59 <sub>1</sub> | 0.59 <sub>1</sub> | 0.53 <sub>1</sub>   | 0.62                      | 0.57       |
| Net realized and unrealized gain (loss)   | 0.55  | (0.28)                | 1.25              | (0.31)            | (0.69)  | (0.11)                    | 0.01       |
| Net increase (decrease) from investment operations                                  | 0.88  | 0.35                  | 1.84              | 0.28              | (0.16)  | 0.51                      | 0.58       |
| Dividends and distributions from:   |   |                       |                   |                   |   |                           |            |
| Net investment income   | (0.32)  | (0.65)                | (0.79)            | (0.61)            | (0.51)  | (0.61)                    | (0.65)     |
| Net realized gain   |   |                       |                   |                   |   |                           | (0.26)     |
| Tax return of capital   |   |                       |                   |                   |   | (0.05)                    | (0.06)     |
| Total dividends and distributions   | (0.32)  | (0.65)                | (0.79)            | (0.61)            | (0.51)  | (0.66)                    | (0.97)     |
| Net asset value, end of period  | \$ 11.33  | \$ 10.77              | \$ 11.07          | \$ 10.02          | \$ 10.35  | \$ 11.02                  | \$ 11.17   |
| Market price, end of period   | \$ 10.78  | \$ 9.85               | \$ 10.56          | \$ 9.65           | \$ 9.82   | \$ 10.19                  | \$ 10.58   |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |   |                           |            |
| Based on net asset value  | 8.48% <sup>3</sup>  | 3.91%                 | 19.83%            | 3.90%             | (1.07)% <sup>3</sup>                                      | 5.11%                     | 5.76%      |
| Based on market price   | 12.86% <sup>3</sup>   | (0.37)%               | 18.69%            | 5.46%             | 1.51% <sup>3</sup>  | 2.62%                     | 6.27%      |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                   |   |                           |            |
| Total expenses  | 0.89% <sup>4</sup>  | 0.95%                 | 1.09%             | 0.95%             | 2.25% <sup>4</sup>  | 2.01%                     | 1.61%      |
| Total expenses after fees waived and paid indirectly                                | 0.89% <sup>4</sup>  | 0.95%                 | 1.09%             | 0.95%             | 2.25% <sup>4</sup>  | 2.00%                     | 1.61%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.84% <sup>4</sup>  | 0.85%                 | 0.86%             | 0.85%             | 0.83% <sup>4</sup>  | 0.87%                     | 0.89%      |
| Net investment income   | 6.11% <sup>4</sup>  | 5.94%                 | 5.81%             | 6.45%             | 5.89% <sup>4</sup>  | 5.68%                     | 5.11%      |
| <b>Supplemental Data</b>  |   |                       |                   |                   |   |                           |            |
| Net assets end of period (000)  | \$ 390,432  | \$ 371,175            | \$ 381,379        | \$ 345,101        | \$ 356,456  | \$ 379,605                | \$ 384,850 |
| Borrowings outstanding, end of period (000)   | \$ 165,979  | \$ 154,883            | \$ 157,776        | \$ 77,474         | \$ 100,740  | \$ 105,262                | \$ 34,326  |
| Average borrowings outstanding, during the period (000)                             | \$ 131,122  | \$ 148,617            | \$ 151,700        | \$ 49,573         | \$ 131,462  | \$ 68,241                 | \$ 59,691  |
| Portfolio turnover  | 186% <sup>5</sup>   | 774% <sup>6</sup>     | 720% <sup>7</sup> | 270% <sup>8</sup> | 44% <sup>9</sup>  | 196%                      | 131%       |
| Asset coverage, end of period per \$1,000   | \$ 3,352  | \$ 3,396              | \$ 3,417          | \$ 5,454          | \$ 4,538  | \$ 4,606                  | \$ 12,212  |

<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 136%.

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- <sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 492%.
- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 608%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 165%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 168%.

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## Financial Highlights

BlackRock Income Trust, Inc. (BKT)

|   | Six Months<br>Ended<br>February<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                   | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31, |            |
|---|---|-----------------------|-------------------|-------------------|---|---------------------------|------------|
|   |   | 2011                  | 2010              | 2009              |   | 2007                      | 2006       |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |   |                           |            |
| Net asset value, beginning of period  | \$ 7.96   | \$ 7.76               | \$ 7.12           | \$ 6.94           | \$ 6.53   | \$ 6.48                   | \$ 6.54    |
| Net investment income   | 0.20 <sub>1</sub>   | 0.35 <sub>1</sub>     | 0.20 <sub>1</sub> | 0.28 <sub>1</sub> | 0.26 <sub>1</sub>   | 0.30                      | 0.32       |
| Net realized and unrealized gain  | 0.04  | 0.19                  | 0.73              | 0.19              | 0.40  | 0.12                      | 0.05       |
| Net increase (decrease) from investment operations                                  | 0.24  | 0.54                  | 0.93              | 0.47              | 0.66  | 0.42                      | 0.37       |
| Dividends and distributions from:   |   |                       |                   |                   |   |                           |            |
| Net investment income   | (0.23)  | (0.34)                | (0.26)            | (0.29)            | (0.25)  | (0.29)                    | (0.34)     |
| Net realized gain   |   |                       | (0.03)            |                   |   |                           |            |
| Tax return of capital   |   |                       |                   |                   |   | (0.08)                    | (0.09)     |
| Total dividends and distributions   | (0.23)  | (0.34)                | (0.29)            | (0.29)            | (0.25)  | (0.37)                    | (0.43)     |
| Net asset value, end of period  | \$ 7.97   | \$ 7.96               | \$ 7.76           | \$ 7.12           | \$ 6.94   | \$ 6.53                   | \$ 6.48    |
| Market price, end of period   | \$ 7.55   | \$ 7.18               | \$ 6.95           | \$ 6.53           | \$ 6.07   | \$ 5.81                   | \$ 6.07    |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |   |                           |            |
| Based on net asset value  | 3.29% <sup>3</sup>  | 7.70%                 | 13.86%            | 7.64%             | 10.82% <sup>3</sup>                                       | 7.06%                     | 6.06%      |
| Based on market price   | 8.48% <sup>3</sup>  | 8.47%                 | 11.19%            | 12.87%            | 8.94% <sup>3</sup>  | 1.69%                     | 10.18%     |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                   |   |                           |            |
| Total expenses  | 1.01% <sup>4</sup>  | 1.06%                 | 1.05%             | 1.09%             | 1.63% <sup>4</sup>  | 2.77%                     | 2.85%      |
| Total expenses after fees waived and before fees paid indirectly                    | 1.01% <sup>4</sup>  | 1.05%                 | 1.02%             | 1.08%             | 1.63% <sup>4</sup>  | 2.77%                     | 2.85%      |
| Total expenses after fees waived and paid indirectly                                | 1.01% <sup>4</sup>  | 1.05%                 | 1.02%             | 1.08%             | 1.63% <sup>4</sup>  | 2.76%                     | 2.84%      |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.93% <sup>4</sup>  | 0.94%                 | 0.92%             | 0.93%             | 0.91% <sup>4</sup>  | 0.98%                     | 1.00%      |
| Net investment income   | 5.13% <sup>4</sup>  | 4.43%                 | 2.72%             | 4.09%             | 4.67% <sup>4</sup>  | 4.60%                     | 4.92%      |
| <b>Supplemental Data</b>  |   |                       |                   |                   |   |                           |            |
| Net assets, end of period (000)   | \$ 509,412  | \$ 508,765            | \$ 496,260        | \$ 455,529        | \$ 444,054  | \$ 417,651                | \$ 414,460 |
| Borrowings outstanding, end of period (000)   | \$ 163,692  | \$ 233,676            | \$ 106,985        | \$ 11,815         |   | \$ 33,895                 | \$ 70,691  |
| Average borrowings outstanding, during the period (000)                             | \$ 203,760  | \$ 116,771            | \$ 23,316         | \$ 537            | \$ 61,777   | \$ 93,325                 | \$ 104,393 |
| Portfolio turnover  | 222% <sup>5</sup>   | 899% <sup>6</sup>     | 883% <sup>7</sup> | 700% <sup>8</sup> | 263% <sup>9</sup>   | 250%                      | 80%        |
| Asset coverage, end of period per \$1,000   | \$ 4,112  | \$ 3,177              | \$ 5,639          | \$ 39,555         |   | \$ 13,322                 | \$ 6,863   |

<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.



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- <sup>5</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 89%.
- <sup>6</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 387%.
- <sup>7</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 207%.
- <sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 184%.
- <sup>9</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 0%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Strategic Bond Trust (BHD)

|   | Six Months<br>Ended<br>February<br>29,<br>2012<br>(Unaudited) | Year Ended August 31, |                   |                   | Period<br>November<br>1,<br>2007 to<br>August 31,<br>2008 | Year Ended<br>October 31, |           |
|---|---|-----------------------|-------------------|-------------------|---|---------------------------|-----------|
|   |   | 2011                  | 2010              | 2009              |   | 2007                      | 2006      |
| <b>Per Share Operating Performance</b>  |   |                       |                   |                   |   |                           |           |
| Net asset value, beginning of period  | \$ 13.48  | \$ 13.57              | \$ 12.12          | \$ 12.76          | \$ 13.80  | \$ 13.83                  | \$ 13.68  |
| Net investment income   | 0.51 <sup>1</sup>   | 1.06 <sup>1</sup>     | 1.01 <sup>1</sup> | 0.93 <sup>1</sup> | 0.76 <sup>1</sup>   | 0.95                      | 0.99      |
| Net realized and unrealized gain (loss)   | 0.87  | (0.04)                | 1.35              | (0.69)            | (1.03)  | (0.06)                    | 0.18      |
| Net increase (decrease) from investment operations                                  | 1.38  | 1.02                  | 2.36              | 0.24              | (0.27)  | 0.89                      | 1.17      |
| Dividends and distributions from:   |   |                       |                   |                   |   |                           |           |
| Net investment income   | (0.65)  | (1.11)                | (0.91)            | (0.88)            | (0.77)  | (0.92)                    | (0.98)    |
| Tax return of capital   |   |                       |                   |                   |   |                           | (0.04)    |
| Total dividends and distributions   | (0.65)  | (1.11)                | (0.91)            | (0.88)            | (0.77)  | (0.92)                    | (1.02)    |
| Net asset value, end of period  | \$ 14.21  | \$ 13.48              | \$ 13.57          | \$ 12.12          | \$ 12.76  | \$ 13.80                  | \$ 13.83  |
| Market price, end of period   | \$ 13.87  | \$ 12.93              | \$ 13.17          | \$ 11.43          | \$ 10.85  | \$ 11.88                  | \$ 12.85  |
| <b>Total Investment Return<sup>2</sup></b>  |   |                       |                   |                   |   |                           |           |
| Based on net asset value  | 10.13% <sup>3</sup>   | 8.09%                 | 20.38%            | 3.99%             | (1.19)% <sup>3</sup>                                      | 7.26%                     | 9.58%     |
| Based on market price   | 12.07% <sup>3</sup>   | 6.83%                 | 23.88%            | 15.34%            | (2.40)% <sup>3</sup>                                      | (0.62)%                   | 11.87%    |
| <b>Ratios to Average Net Assets</b>   |   |                       |                   |                   |   |                           |           |
| Total expenses  | 1.46% <sup>4</sup>  | 1.52%                 | 1.13%             | 1.00%             | 0.93% <sup>4</sup>  | 1.45%                     | 2.25%     |
| Total expenses after fees waived and before fees paid indirectly                    | 1.46% <sup>4</sup>  | 1.51%                 | 1.11%             | 0.92%             | 0.82% <sup>4</sup>  | 1.27%                     | 2.25%     |
| Total expenses after fees waived and paid indirectly                                | 1.46% <sup>4</sup>  | 1.51%                 | 1.11%             | 0.92%             | 0.82% <sup>4</sup>  | 1.27%                     | 2.00%     |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.24% <sup>4</sup>  | 1.26%                 | 1.04%             | 0.92%             | 0.81% <sup>4</sup>  | 0.87%                     | 0.94%     |
| Net investment income   | 7.54% <sup>4</sup>  | 7.59%                 | 7.77%             | 8.67%             | 6.85% <sup>4</sup>  | 6.86%                     | 7.26%     |
| <b>Supplemental Data</b>  |   |                       |                   |                   |   |                           |           |
| Net assets, end of period (000)   | \$ 100,278  | \$ 95,127             | \$ 95,794         | \$ 85,581         | \$ 90,092   | \$ 97,410                 | \$ 97,614 |
| Borrowings outstanding, end of period (000)   | \$ 25,000   | \$ 24,000             | \$ 12,000         |                   | \$ 1,571  | \$ 413                    | \$ 14,951 |
| Average borrowings outstanding during the period (000)                              | \$ 22,264   | \$ 22,696             | \$ 5,701          | \$ 303            | \$ 391  | \$ 7,240                  | \$ 21,104 |
| Portfolio turnover  | 26%   | 72%                   | 83%               | 61%               | 27%   | 34%                       | 56%       |
| Asset coverage, end of period per \$1,000   | \$ 5,011  | \$ 4,964              | \$ 8,983          |                   | \$ 58,347   | \$ 236,789                | \$ 7,529  |

<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.

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See Notes to Financial Statements.

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## 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 ) are registered under 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. The Boards of Directors and the Boards of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the directors/trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

**Basis of Consolidation:** The accompanying consolidated financial statements include the accounts of BLK HYV (Luxembourg) Investments, S.a.r.l. and BLK HYT (Luxembourg) Investments, S.a.r.l. (the Taxable Subsidiaries ), a wholly owned taxable subsidiary of each Trust which holds shares of private Canadian companies. Such shares are held in the Taxable Subsidiaries in order to realize benefits under the Double Tax Avoidance Convention between Canada and Luxembourg, the result of which is gains on the sale of such shares will not be subject to capital gains taxes in Canada. Income earned on the investments held by the Taxable Subsidiary may be taxable to such subsidiaries in Luxembourg. An income tax provision for all income, including realized and unrealized gains, if any, is reflected as either a reduction in investment income or as a component of realized and unrealized gain (loss) on the Consolidated Statements of Operations. The Trusts may invest up to 25% of their total assets in the Taxable Subsidiary. Intercompany accounts and transactions have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to 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. To-be-announced ( 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, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV 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 New York Stock Exchange ( 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

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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.

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 if a price is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair

**Notes to Financial Statements (continued)**

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 the 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.

**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 respective date of such transactions. 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 do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated on the Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. 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 but are supported by the right of the issuer to borrow from the Treasury.

**Collateralized Debt Obligations:** Certain Trusts may invest in collateralized debt obligations ( CDOs ), which include collateralized bond obligations ( CBOs ) and collateralized loan obligations ( CLOs ). CBOs and CLOs are types of asset-backed securities. A CDO is a bankruptcy remote entity which is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches, which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

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**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 interest only ( 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

### Notes to Financial Statements (continued)

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.

**Stripped Mortgage-Backed Securities:** Certain Trusts may invest in stripped mortgage-backed securities issued by the US government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. Certain Trusts also may invest in stripped mortgage-backed securities that are privately issued.

**Zero-Coupon Bonds:** Certain 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 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.

**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 Interbank 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 purchases 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. 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



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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, the Trusts borrow 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

### Notes to Financial Statements (continued)

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.

**Short Sales:** Certain Trusts may enter into short sale transactions in which the Trusts sell a security it does not hold in anticipation of a decline in the market price of that security. When a Trust makes a short sale, it will borrow the security sold short (borrowed bond) and deliver it to the counterparty to which it sold the security short. An amount equal to the proceeds received by the Trusts is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the market value of the short sale. The Trusts are required to repay the counterparty any interest received on the security sold short, which is shown as interest expense in the Statements of Operations. The Trusts may pay a fee on the assets borrowed from the counterparty, which is shown as stock loan fees in the Statements of Operations. The Trusts maintain a segregated account of securities or deposits cash with the broker-dealer as collateral for the short sales. The Trusts may receive interest on their cash collateral deposited with the broker-dealer. The Trusts are exposed to market risk based on the amount, if any, that the market value of the security increases beyond the market value at which the position was sold. Thus, a short sale of a security involves the risk that instead of declining, the price of the security sold short will rise. The short sale of securities involves the possibility of a theoretically unlimited loss since there is a theoretically unlimited potential for the market price of the security sold short to increase. A gain, limited to the price at which the Trusts sold the security short, or a loss, unlimited as to the dollar amount, will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received. There is no assurance the Trusts will be able to close out a short position at a particular time or at an acceptable price.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. Certain Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**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 mortgage 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.

**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 receive cash from the sale of the Treasury security to use for other investment purposes. 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. For US GAAP purposes, a treasury roll transaction is accounted for as a secured borrowing and not as a purchase or sale. During the term of the borrowing, interest income from the Treasury security and the related interest expense on the secured borrowing is recorded by the Trusts on an accrual basis. The Trusts will benefit from the transaction if the income earned on the investment purchased with the cash 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

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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 sells 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

**Notes to Financial Statements (continued)**

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 and options written), or certain borrowings (e.g., reverse repurchase agreements and treasury roll transactions), 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 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 to such transactions 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 Trusts are 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. 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 BHK, HIS, BHY, BNA, BKT and BHD's US federal tax returns remain open for each of the three years ended August 31, 2011 and for the period ended August 31, 2008. The statutes of limitations on HYV and HYT's tax returns remain open for each of the four years ended August 31, 2011. The statutes of limitations on the Trusts' state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standards:** In May 2011, the Financial Accounting Standards Board (the FASB) issued amended guidance to improve disclosure about fair value measurements which will require the following disclosures for fair value measurements categorized as Level 3: quantitative information about the unobservable inputs and assumptions used in the fair value measurement, a description of the valuation policies and procedures and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, the amounts and reasons for all transfers in and out of Level 1 and Level 2 will be required to be disclosed. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts' financial statement disclosures.

In December 2011, the FASB issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts' financial statement disclosures.

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**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Trust's Board, independent 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.

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

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## Notes to Financial Statements (continued)

the BlackRock Closed-End Fund investments under the plan are included in dividends 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 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. master agreement ( ISDA Master Agreement ) implemented between a Trust and each of its respective counterparties. An 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 the Trusts' net assets decline by a stated percentage or the Trusts fail to meet the terms of their 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 in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate 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 currencies in which some of the investments held by the Trusts are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Trust 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

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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 (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike 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 buy the underlying instrument at the exercise or strike 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 Trust enters into a closing transaction), the Trusts realize a gain or loss

### Notes to Financial Statements (continued)

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.

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 or credit default 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 either make periodic net payments on a specified notional amount or net payment upon termination. These 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 their 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



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the offsetting interest rate obligation, the Trusts will receive a payment from or make a payment to the counterparty.

**Interest rate swaps** The Trusts enter into interest rate swaps to gain or reduce exposure to interest rates or to 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 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.

Notes to Financial Statements (continued)

**Derivative Financial Instruments Categorized by Risk Exposure:**

**Fair Values of Derivative Financial Instruments as of February 29, 2012**

| Statements of Assets and Liabilities Location |  | Asset Derivatives |            |            |           |            |              |               |            |
|---|--|-------------------|------------|------------|-----------|------------|--------------|---------------|------------|
|   |  | BHK               | HYV        | HYT        | HIS       | BHY        | BNA          | BKT           | BHD        |
|   |  | Value             |            |            |           |            |              |               |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized appreciation on swaps; Investments at value unaffiliated <sup>2</sup> | \$ 530,376        |            |            |           |            | \$ 647,019   | \$ 46,616,117 | \$ 84,885  |
| Foreign currency exchange contracts           | Unrealized appreciation on foreign currency exchange contracts; Investments at value unaffiliated  | 236,289           | \$ 8,857   | \$ 7,223   |           | \$ 407     | 235,206      |               | 628        |
| Credit contracts                              | Unrealized appreciation on swaps; Investments at value unaffiliated <sup>2</sup>   | 682,111           | 643,176    | 662,856    |           | 191,926    | 683,504      |               | 85,945     |
| Equity contracts                              | Net unrealized appreciation/depreciation <sup>1</sup> ; Investments at value unaffiliated <sup>2</sup>                                   |                   | 305,250    | 316,130    | \$ 87,545 |            |              |               |            |
| <b>Total</b>                                  |  | \$ 1,448,776      | \$ 957,283 | \$ 986,209 | \$ 87,545 | \$ 192,333 | \$ 1,565,729 | \$ 46,616,117 | \$ 171,458 |

| Statements of Assets and Liabilities Location |   | Liability Derivatives |              |              |            |           |              |               |            |
|---|---|-----------------------|--------------|--------------|------------|-----------|--------------|---------------|------------|
|   |   | BHK                   | HYV          | HYT          | HIS        | BHY       | BNA          | BKT           | BHD        |
|   |   | Value                 |              |              |            |           |              |               |            |
| Interest rate contracts                       | Net unrealized appreciation/depreciation <sup>1</sup> ; Unrealized depreciation on swaps; Option written at value | \$ 4,576,159          |              |              |            |           | \$ 4,550,767 | \$ 42,571,558 | \$ 67,229  |
| Foreign currency exchange contracts           | Unrealized depreciation on foreign currency exchange contracts; Options written at value                          | 563,492               | \$ 1,448,067 | \$ 1,500,303 | \$ 283,739 | \$ 15,017 | 479,402      |               | 249,845    |
| Credit contracts                              | Unrealized depreciation on swaps; Options written at value  | 36,040                | 112,207      | 119,959      |            | 6,107     | 36,176       |               | 202        |
| Equity contracts                              | Unrealized depreciation on swaps; Options written at value  |                       | 412,959      | 445,363      | 74,334     |           |              |               |            |
| Other contracts                               | Unrealized depreciation on swaps  | 77,284                |              |              |            |           | 77,489       |               |            |
| <b>Total</b>                                  |   | \$ 5,252,975          | \$ 1,973,233 | \$ 2,065,625 | \$ 358,073 | \$ 21,124 | \$ 5,143,834 | \$ 42,571,558 | \$ 317,276 |

<sup>1</sup> Includes cumulative appreciation/depreciation of financial futures contracts as reported in the Schedules of Investments. Only current day's margin variation is reported within the Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Schedules of Investments.



## Notes to Financial Statements (continued)

**The Effect of Derivative Financial Instruments on the Statements of Operations**  
**Six Months Ended February 29, 2012**

|                                      | Net Realized Gain (Loss) From |                     |                     |                   |                   |                   |                       |                   |
|--------------------------------------|-------------------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-----------------------|-------------------|
|                                      | BHK                           | HYV                 | HYT                 | HIS               | BHY               | BNA               | BKT                   | BHD               |
| Interest rate contracts:             |                               |                     |                     |                   |                   |                   |                       |                   |
| Financial futures contracts          | \$ (453,633)                  |                     |                     |                   |                   | \$ (357,014)      | \$ (5,090,929)        | \$ (57,843)       |
| Swaps                                | 1,376,353                     |                     |                     |                   |                   | 850,535           | 249,984               | 102,783           |
| Options <sup>1</sup>                 | (2,053,700)                   | \$ 542,835          | \$ 609,505          |                   |                   | (1,439,130)       | (126,181)             |                   |
| Floors                               |                               |                     |                     |                   |                   |                   | 443,883               |                   |
| Foreign currency exchange contracts: |                               |                     |                     |                   |                   |                   |                       |                   |
| Financial futures contracts          | (35,220)                      |                     |                     |                   |                   | (40,039)          | (1,789)               |                   |
| Foreign currency exchange contracts  | 1,089,752                     | 3,252,823           | 3,481,662           | \$ 774,738        | \$ (2,883)        | 445,882           |                       | 597,890           |
| Options <sup>1</sup>                 | (76,426)                      |                     |                     |                   |                   | (78,422)          |                       |                   |
| Credit contracts:                    |                               |                     |                     |                   |                   |                   |                       |                   |
| Swaps                                | 1,018,396                     | (381,877)           | (414,494)           |                   | 198,394           | 1,018,450         |                       | 32,974            |
| Equity contracts:                    |                               |                     |                     |                   |                   |                   |                       |                   |
| Financial futures contracts          |                               | (3,965,704)         | (4,093,471)         | (355,406)         |                   |                   |                       |                   |
| Options <sup>1</sup>                 |                               | (406,208)           | (418,826)           | (93,698)          |                   |                   |                       |                   |
| Other contracts:                     |                               |                     |                     |                   |                   |                   |                       |                   |
| Swaps                                | (21,016)                      | 146,751             | 154,102             |                   | 17,707            | (21,115)          |                       |                   |
| <b>Total</b>                         | <b>\$ 844,506</b>             | <b>\$ (811,380)</b> | <b>\$ (681,522)</b> | <b>\$ 325,634</b> | <b>\$ 213,218</b> | <b>\$ 379,147</b> | <b>\$ (4,525,032)</b> | <b>\$ 675,804</b> |

|                                      | Net Change in Unrealized Appreciation/Depreciation on |                     |                     |                     |                  |                     |                       |                     |
|--------------------------------------|---|---------------------|---------------------|---------------------|------------------|---------------------|-----------------------|---------------------|
|                                      | BHK   | HYV                 | HYT                 | HIS                 | BHY              | BNA                 | BKT                   | BHD                 |
| Interest rate contracts:             |   |                     |                     |                     |                  |                     |                       |                     |
| Financial futures contracts          | \$ 570,814  |                     |                     |                     |                  | \$ 393,611          | \$ (31,774)           | \$ (11,359)         |
| Swaps                                | (1,654,566)   |                     |                     |                     |                  | (1,484,830)         | (1,292,938)           | 17,608              |
| Options <sup>1</sup>                 | 1,895,867   |                     |                     |                     |                  | 1,707,450           | 65,267                | (28,283)            |
| Floors                               |   |                     |                     |                     |                  |                     | (132,104)             |                     |
| Foreign currency exchange contracts: |   |                     |                     |                     |                  |                     |                       |                     |
| Foreign currency exchange contracts  | (339,345)   | \$ (1,299,680)      | \$ (1,346,118)      | \$ (251,144)        | \$ (14,610)      | (244,840)           |                       | (222,923)           |
| Options <sup>1</sup>                 | 12,275  |                     |                     |                     |                  | 12,504              |                       |                     |
| Credit contracts:                    |   |                     |                     |                     |                  |                     |                       |                     |
| Swaps                                | (1,147,981)   | 638,353             | 652,359             |                     | 53,613           | (1,144,329)         |                       | 28,505              |
| Options <sup>1</sup>                 |   | 442,787             | 441,347             |                     |                  |                     |                       |                     |
| Equity contracts:                    |   |                     |                     |                     |                  |                     |                       |                     |
| Financial futures contracts          |   | 1,980,740           | 1,905,233           | 119,132             |                  |                     |                       |                     |
| Options <sup>1</sup>                 |   | (122,259)           | (124,721)           | (71,461)            |                  |                     |                       |                     |
| Other contracts:                     |   |                     |                     |                     |                  |                     |                       |                     |
| Swaps                                | (77,284)  | (75,845)            | (79,649)            |                     | (9,012)          | (77,489)            |                       |                     |
| <b>Total</b>                         | <b>\$ (740,220)</b>                                   | <b>\$ 1,564,096</b> | <b>\$ 1,448,451</b> | <b>\$ (203,473)</b> | <b>\$ 29,991</b> | <b>\$ (837,923)</b> | <b>\$ (1,391,549)</b> | <b>\$ (216,452)</b> |

<sup>1</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

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Notes to Financial Statements (continued)

For the six months ended February 29, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | BHK            | HYV           | HYT           | HIS          | BHY          | BNA            | BKT            | BHD           |
|--|----------------|---------------|---------------|--------------|--------------|----------------|----------------|---------------|
| <b>Financial futures contracts:</b>                    |                |               |               |              |              |                |                |               |
| Average number of contracts purchased                  | 503            |               |               |              |              | 448            | 989            | 88            |
| Average number of contracts sold                       | 909            | 314           | 371           | 51           |              | 1,020          | 2,323          | 81            |
| Average notional value of contracts purchased          | \$ 97,756,601  |               |               |              |              | \$ 90,662,358  | \$ 236,438,591 | \$ 13,889,188 |
| Average notional value of contracts sold               | \$ 144,530,667 | \$ 19,877,370 | \$ 23,647,510 | \$ 3,258,630 |              | \$ 161,080,680 | \$ 325,262,643 | \$ 13,622,047 |
| <b>Foreign currency exchange contracts:</b>            |                |               |               |              |              |                |                |               |
| Average number of contracts US dollars purchased       | 29             | 12            | 10            | 4            | 2            | 29             |                | 6             |
| Average number of contracts US dollars sold            | 25             | 4             | 5             | 2            |              | 24             |                | 3             |
| Average US dollar amounts purchased                    | \$ 34,190,383  | \$ 32,807,740 | \$ 42,359,736 | \$ 8,164,303 | \$ 824,212   | \$ 31,132,553  |                | \$ 7,185,347  |
| Average US dollar amounts sold                         | \$ 20,431,120  | \$ 1,822,882  | \$ 2,041,243  | \$ 273,790   |              | \$ 17,089,813  |                | \$ 440,943    |
| <b>Options:</b>  |                |               |               |              |              |                |                |               |
| Average number of option contracts purchased           | 21,946,571     | 726           | 1,205         | 335          | 3            | 21,979,071     | 369            | 6             |
| Average number of option contracts written             | 14,326,250     | 538           | 895           | 250          |              | 14,336,250     |                |               |
| Average notional value of option contracts purchased   | \$ 22,673,250  | \$ 9,658,514  | \$ 16,209,000 | \$ 4,506,000 | \$ 2,829     | \$ 22,707,000  | \$ 921,250     | \$ 5,657      |
| Average notional value of option contracts written     | \$ 14,426,250  | \$ 6,718,750  | \$ 11,187,500 | \$ 3,125,000 |              | \$ 14,436,250  |                |               |
| Average number of swaption contracts purchased         | 6              | 1             | 1             |              |              | 6              | 2              | 2             |
| Average number of swaption contracts written           | 11             | 2             | 2             |              |              | 12             | 2              | 1             |
| Average notional value of swaption contracts purchased | \$ 57,226,013  | \$ 7,500,000  | \$ 7,500,000  |              |              | \$ 57,376,013  | \$ 12,400,000  | \$ 1,906,402  |
| Average notional value of swaption contracts written   | \$ 285,700,000 | \$ 14,500,000 | \$ 15,500,000 |              |              | \$ 289,500,000 | \$ 22,200,000  | \$ 2,200,000  |
| <b>Credit default swaps:</b>                           |                |               |               |              |              |                |                |               |
| Average number of contracts buy protection             | 8              | 11            | 11            |              | 7            | 8              |                | 6             |
| Average number of contracts sell protection            | 14             | 12            | 12            |              | 7            | 14             |                | 10            |
| Average notional value buy protection                  | \$ 8,926,162   | \$ 13,027,348 | \$ 14,139,767 |              | \$ 565,000   | \$ 8,942,290   |                | \$ 1,497,500  |
| Average notional value sell protection                 | \$ 6,964,165   | \$ 9,451,500  | \$ 11,945,000 |              | \$ 1,852,500 | \$ 6,999,165   |                | \$ 1,416,359  |
| <b>Interest rate swaps:</b>                            |                |               |               |              |              |                |                |               |
| Average number of contracts pays fixed rate            | 4              |               |               |              |              | 9              | 12             | 1             |
| Average number of contracts receives fixed rate        | 5              |               |               |              |              | 7              | 12             | 1             |
| Average notional value pays fixed rate                 | \$ 4,965,679   |               |               |              |              | \$ 25,924,039  | \$ 261,030,000 | \$ 600,000    |
| Average notional value receives fixed rate             | \$ 50,019,629  |               |               |              |              | \$ 53,368,064  | \$ 249,611,600 | \$ 9,400,000  |
| <b>Total return swaps:</b>                             |                |               |               |              |              |                |                |               |
| Average number of contracts                            | 1              |               |               |              |              | 1              |                |               |
| Average notional value                                 | \$ 940,000     |               |               |              |              | \$ 1,885,000   |                |               |

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

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The PNC Financial Services Group, Inc. ( PNC ) and Barclays Bank PLC ( Barclays ) are the largest stockholders of BlackRock, Inc. ( BlackRock ). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but Barclays is not.

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 services for each Trust and administration services for BHK, HYV, HYT, HIS and BHD.

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<br>\$200 million and<br>0.50% thereafter |
| BHY | 0.90%   |
| 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% |

Notes to Financial Statements (continued)

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 29, 2012, the amounts waived were as follows:

|     |          |
|-----|----------|
| BHK | \$ 1,242 |
| HYV | \$ 251   |
| HYT | \$ 280   |
| HIS | \$ 182   |
| BHY | \$ 127   |
| BNA | \$ 1,573 |
| BKT | \$ 2,449 |
| BHD | \$ 133   |

BlackRock provides investment management and other services to the Taxable Subsidiaries. BlackRock does not receive separate compensation from the Taxable Subsidiaries for providing investment management or administrative services. However, each Trust pays BlackRock based on the Trust's net assets, which includes the assets of the Taxable Subsidiaries.

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 investment advisory fees paid by each Trust to the Manager.

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 29, 2012, were as follows:

|     | Purchases        | Sales            |
|-----|------------------|------------------|
| BHK | \$ 469,053,488   | \$ 516,744,054   |
| HYV | \$ 164,014,956   | \$ 143,307,785   |
| HYT | \$ 171,818,017   | \$ 150,224,762   |
| HIS | \$ 44,561,663    | \$ 43,405,656    |
| BHY | \$ 21,817,057    | \$ 13,928,318    |
| BNA | \$ 481,520,298   | \$ 533,947,655   |
| BKT | \$ 1,339,537,226 | \$ 1,385,718,993 |
| BHD | \$ 29,200,573    | \$ 28,228,676    |

Purchases and sales of US government securities, for the six months ended February 29, 2012, were as follows:

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|     | <b>Purchases</b> | <b>Sales</b>   |
|-----|------------------|----------------|
| BHK | \$ 514,284,821   | \$ 477,424,118 |
| BNA | \$ 504,329,363   | \$ 449,075,848 |
| BKT | \$ 488,528,588   | \$ 475,725,365 |
| BHD | \$ 2,427,194     | \$ 1,862,799   |

For the six months ended February 29, 2012, purchases and sales of mortgage dollar rolls were as follows:

|     | <b>Purchases</b> | <b>Sales</b>     |
|-----|------------------|------------------|
| BHK | \$ 256,189,320   | \$ 256,450,408   |
| BNA | \$ 262,809,813   | \$ 263,087,783   |
| BKT | \$ 1,091,717,115 | \$ 1,093,392,375 |

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Notes to Financial Statements (continued)

Transactions in options written for the six months ended February 29, 2012, were as follows:

|  | Contracts | Calls<br>Notional<br>(000) | Premiums<br>Received | Contracts | Puts<br>Notional<br>(000) | Premiums<br>Received |
|--|-----------|----------------------------|----------------------|-----------|---------------------------|----------------------|
| <b>BHK</b>                               |           |                            |                      |           |                           |                      |
| Outstanding options, beginning of period |           | \$ 63,300                  | \$ 2,441,442         | 538       | \$ 86,985                 | \$ 2,818,041         |
| Options written                          | 459       | 82,695                     | 2,289,919            | 329       | 572,340                   | 5,143,524            |
| Options expired                          | (178)     | (35,095)                   | (469,381)            | (595)     | (55,763)                  | (874,217)            |
| Options exercised                        | (15)      | (8,100)                    | (93,352)             |           | (26,422)                  | (1,070,207)          |
| Options closed                           | (266)     | (69,800)                   | (3,081,968)          | (272)     | (58,330)                  | (2,878,278)          |
| Outstanding options, end of period       |           | \$ 33,000                  | \$ 1,086,660         |           | \$ 518,810                | \$ 3,138,863         |

|  |         |           |            |         |           |            |
|--|---------|-----------|------------|---------|-----------|------------|
| <b>HYV</b>                               |         |           |            |         |           |            |
| Outstanding options, beginning of period |         | \$ 24,175 | \$ 296,835 | 664     | \$ 26,475 | \$ 688,420 |
| Options written                          | 1,350   | 7,000     | 422,017    | 5,700   | 7,000     | 681,602    |
| Options expired                          |         | (17,175)  | (72,135)   | (2,625) | (19,475)  | (521,579)  |
| Options exercised                        |         |           |            | (664)   |           | (23,620)   |
| Options closed                           | (1,350) | (14,000)  | (646,717)  | (1,350) | (14,000)  | (701,468)  |
| Outstanding options, end of period       |         |           |            | 1,725   |           | \$ 123,355 |

|  |         |           |            |         |           |            |
|--|---------|-----------|------------|---------|-----------|------------|
| <b>HYT</b>                               |         |           |            |         |           |            |
| Outstanding options, beginning of period |         | \$ 26,025 | \$ 332,505 | 698     | \$ 27,700 | \$ 741,030 |
| Options written                          | 1,433   | 8,000     | 469,894    | 5,956   | 8,000     | 741,855    |
| Options expired                          |         | (18,025)  | (75,705)   | (2,733) | (19,700)  | (533,499)  |
| Options exercised                        |         |           |            | (698)   |           | (24,830)   |
| Options closed                           | (1,433) | (16,000)  | (726,694)  | (1,433) | (16,000)  | (796,517)  |
| Outstanding options, end of period       |         |           |            | 1,790   |           | \$ 128,039 |

|  |       |  |           |       |  |            |
|--|-------|--|-----------|-------|--|------------|
| <b>HIS</b>                               |       |  |           |       |  |            |
| Outstanding options, beginning of period |       |  |           |       |  |            |
| Options written                          | 417   |  | \$ 47,111 | 1,689 |  | \$ 117,299 |
| Options expired                          |       |  |           | (772) |  | (60,723)   |
| Options closed                           | (417) |  | (47,111)  | (417) |  | (19,589)   |
| Outstanding options, end of period       |       |  |           | 500   |  | \$ 36,987  |

|  |       |           |              |       |            |              |
|--|-------|-----------|--------------|-------|------------|--------------|
| <b>BNA</b>                               |       |           |              |       |            |              |
| Outstanding options, beginning of period |       | \$ 61,300 | \$ 2,208,193 | 539   | \$ 85,015  | \$ 2,585,616 |
| Options written                          | 461   | 82,875    | 2,297,188    | 329   | 573,250    | 5,151,136    |
| Options expired                          | (180) | (35,175)  | (471,670)    | (596) | (59,073)   | (1,004,517)  |
| Options exercised                        | (15)  | (6,900)   | (46,390)     |       | (26,442)   | (1,071,191)  |
| Options closed                           | (266) | (69,000)  | (2,895,456)  | (272) | (53,040)   | (2,515,176)  |
| Outstanding options, end of period       |       | \$ 33,100 | \$ 1,091,865 |       | \$ 519,710 | \$ 3,145,868 |

|  |       |           |            |       |           |            |
|--|-------|-----------|------------|-------|-----------|------------|
| <b>BKT</b>                               |       |           |            |       |           |            |
| Outstanding options, beginning of period |       | \$ 11,100 | \$ 353,258 | 247   | \$ 11,100 | \$ 448,653 |
| Options written                          | 514   |           | 296,502    | 995   |           | 315,965    |
| Options expired                          | (242) |           | (150,973)  | (333) |           | (128,259)  |
| Options exercised                        | (20)  |           | (3,050)    |       |           |            |
| Options closed                           | (252) |           | (142,479)  | (909) |           | (283,102)  |
| Outstanding options, end of period       |       | \$ 11,100 | \$ 353,258 |       | \$ 11,100 | \$ 353,257 |

|  |  |  |  |  |          |           |
|--|--|--|--|--|----------|-----------|
| <b>BHD</b>                               |  |  |  |  |          |           |
| Outstanding options, beginning of period |  |  |  |  |          |           |
| Options written                          |  |  |  |  | \$ 4,400 | \$ 50,160 |

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Options exercised

Outstanding options, end of period

\$ 4,400 \$ 50,160

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## Notes to Financial Statements (continued)

**5. Income Tax Information:**

As of August 31, 2011, 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          |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 2012               |               |               |               | \$ 2,339,279  | \$ 316,410    |               |              |
| 2014               |               |               |               | 7,043,976     | 2,060,533     |               |              |
| 2015               |               |               |               |               | 2,467,772     |               |              |
| 2016               | \$ 17,011,639 |               |               | 10,829,322    | 2,039,760     | \$ 13,511,023 | \$ 687,454   |
| 2017               | 7,416,000     | \$ 25,464,032 | \$ 31,939,528 | 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    |
| 2019               |               |               |               |               | 737,843       |               |              |
| <b>Total</b>       | \$ 24,427,639 | \$ 71,250,686 | \$ 86,867,292 | \$ 38,522,190 | \$ 13,730,119 | \$ 31,844,749 | \$ 5,453,149 |

Under the 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, any such losses must be utilized prior to the losses incurred in pre-enactment taxable years.

As of February 29, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|  | BHK            | HYV            | HYT            | HIS            | BHY           | BNA            | BKT            | BHD            |
|--|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| Tax cost                                   | \$ 519,485,199 | \$ 535,075,073 | \$ 557,006,304 | \$ 149,699,172 | \$ 57,208,243 | \$ 529,204,687 | \$ 827,769,995 | \$ 117,113,498 |
| Gross unrealized appreciation              | 32,902,354     | 33,420,622     | 33,884,899     | 6,927,547      | 3,410,212     | 34,312,914     | 45,547,388     | 8,324,695      |
| Gross unrealized depreciation              | (7,597,991)    | (21,039,743)   | (21,692,446)   | (4,793,667)    | (944,821)     | (7,892,219)    | (18,707,213)   | (1,444,535)    |
| Net unrealized appreciation (depreciation) | \$ 25,304,363  | \$ 12,380,879  | \$ 12,192,453  | \$ 2,133,880   | \$ 2,465,391  | \$ 26,420,695  | \$ 26,840,175  | \$ 6,880,160   |

**6. Borrowings:**

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 Amount |
|-----|-------------------|
| HYV | \$ 204,500,000    |
| HYT | \$ 213,800,000    |
| HIS | \$ 63,600,000     |
| BHY | \$ 23,000,000     |
| BHD | \$ 50,200,000     |

Prior to March 2, 2012, advances were 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.

Effective March 2, 2012, advances will be made by SSB to the Trusts, at the Trusts' option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% 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 29, 2012 are shown in the Statements of Assets and Liabilities as loan payable.

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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 borrowing is less than 300%.

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## Notes to Financial Statements (continued)

For the six months ended February 29, 2012, the daily weighted average interest rates for Trusts with borrowings from reverse repurchase agreements and treasury roll transactions were as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BHK | 0.16%   |
| BNA | 0.15%   |
| BKT | 0.19%   |

For the six months ended February 29, 2012, the daily weighted average interest rates for Trusts with loans under the revolving credit agreements were as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| HYV | 0.96%   |
| HYT | 0.96%   |
| HIS | 0.96%   |
| BHY | 0.96%   |
| BHD | 0.96%   |

**7. Commitments:**

Certain Trusts may invest in floating rate loan interests. In connection with these investments, the Trust may also enter into bridge loan commitments ( commitments ). Bridge loan commitments may obligate the Trust to furnish temporary financing to a borrower until permanent financing can be arranged. At February 29, 2012, the Trusts had outstanding bridge loan commitments as follows:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| HYV | \$ 5,101,399                  |
| HYT | \$ 5,352,437                  |
| HIS | \$ 1,557,646                  |
| BHY | \$ 574,917                    |
| BHD | \$ 510,000                    |

In connection with these commitments, the Trusts earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. The unrecognized commitment fee income is recorded on the Statements of Assets and Liabilities as deferred income.

**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.

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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:

BHK, BHY and BHD are authorized to issue an unlimited number of shares, par value \$0.001, all of which were initially classified as Common Shares. BNA and BKT are authorized to issue 200 million shares, par value \$0.01, all of which were initially classified as Common Shares. HYV and HYT are authorized to issue 200 million shares, par value \$0.10, all of which were initially classified as Common Shares. HIS is authorized to issue an unlimited number of shares, no par value, all of which were initially classified as Common Shares. The Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|     | Six Months<br>Ended<br>February 29,<br>2012 | Year Ended<br>August 31,<br>2011 |
|-----|---|----------------------------------|
| HYV | 25,438                                      |                                  |
| HYT | 38,517                                      |                                  |
| HIS | 51,607                                      |                                  |
| BHY | 759   |                                  |

Notes to Financial Statements (concluded)

Shares issued and outstanding remained constant during the six months ended February 29, 2012 and the year ended August 31, 2011 for BHK, BNA, BKT and BHD.

**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:

The Trusts paid a net investment income dividend in the following amounts per share on March 30, 2012 to shareholders of record on March 15, 2012:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BHK | \$ 0.0670                                |
| HYV | \$ 0.0860                                |
| HYT | \$ 0.0835                                |
| HIS | \$ 0.0142                                |
| BHY | \$ 0.0435                                |
| BNA | \$ 0.0530                                |
| BKT | \$ 0.0405                                |
| BHD | \$ 0.0845                                |

Officers and Trustees<sup>1</sup>

Richard E. Cavanagh, Chairman of the Board and Trustee  
Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee  
Paul L. Audet, Trustee  
Michael J. Castellano, Trustee and Member of the Audit Committee  
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  
Anne Ackerley, Vice President  
Brendan Kyne, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer  
Ira P. Shapiro, Secretary

<sup>1</sup> John F. Powers, who was a Trustee of the Trusts, resigned as of February 21, 2012.

**Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

**Sub-Advisor<sup>2</sup>**

BlackRock Financial Management, Inc.  
New York, NY 10055

**Custodian and Accounting Agent**

State Street Bank and Trust Company  
Boston, MA 02110

**Transfer Agent**

Computershare Trust Company, N.A.  
Canton, MA 02021

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02116

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

**Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>2</sup> For BHK, HYV, HYT, HIS and BHD.



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BHK, BNA and BKT are managed by a team of investment professionals. Effective March 16, 2012, Tom Musmanno was added to the team of portfolio managers responsible for the day-to-day management of the Trusts' portfolio and the selection of its investments.

## Additional Information

### Dividend Policy

Each Trust's dividend policy is to distribute all or a portion of its net investment income to its 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.

### 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 on page 132, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolios.

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 web-site is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

### Electronic Delivery

Electronic copies of most financial reports are available on the Trusts' web-site 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 the Trusts at (800) 441-7762.

### Availability of Quarterly Schedule of Investments

The Trusts file their 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, D.C. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' 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

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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. 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 in this report.

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Additional Information (concluded)

**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 29, 2012**

|     | Total Fiscal Year-to-Date<br>Cumulative Distributions by Character |                              |                         |                              | Percent of Fiscal Year-to-Date<br>Cumulative Distributions by Character |                              |                         |                              |
|-----|--|------------------------------|-------------------------|------------------------------|---|------------------------------|-------------------------|------------------------------|
|     | Net<br>Investment<br>Income  | Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share | Net<br>Investment<br>Income   | Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total Per<br>Common<br>Share |
| BHY | \$ 0.256197  |                              | \$ 0.004803             | \$ 0.261000                  | 98%   | 0%                           | 2%                      | 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.

**BlackRock Privacy Principles**

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.

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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.

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- 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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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 1, 2012

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 1, 2012

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Income Trust, Inc.

Date: May 1, 2012

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