

BLACKROCK SENIOR HIGH INCOME FUND, INC.  
Form N-CSRS  
November 06, 2008

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

**FORM N-CSR**

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

Investment Company Act file number 811-07456

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock Senior High Income Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 02/28/2009

Date of reporting period: 03/01/2008 - 08/31/2008

Item 1 Report to Stockholders

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EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

## Semi-Annual Report

AUGUST 31, 2008 | (UNAUDITED)

[BlackRock Floating Rate Income Strategies Fund II, Inc. \(FRB\)](#)

[BlackRock Senior High Income Fund, Inc. \(ARK\)](#)

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

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AUGUST 31, 2008

## A Letter to Shareholders

### Dear Shareholder

It has been a tumultuous year for investors, marked by almost daily headlines related to the beleaguered housing market, rising food and energy prices, and the escalating credit crisis. The news took an extraordinarily heavy tone shortly after the close of this reporting period as the credit crisis deepened and triggered unprecedented failures and consolidation in the financial sector, stoking fears of a market and economic collapse and prompting the largest government rescue plan since the Great Depression.

Through it all, the Federal Reserve Board (the Fed) has been aggressive in its attempts to restore order in financial markets. Key moves included slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008 and providing numerous cash injection and lending programs. As the credit crisis took an extreme turn for the worse in September, the Fed, in concert with five other global central banks, lowered interest rates by 50 basis points in a rare move intended to stave off worldwide economic damage from the intensifying financial market turmoil. The U.S. economy managed to grow at a slow-but-positive pace through the second quarter of the year, though the recent events almost certainly

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a global economic recession.

Against this backdrop, U.S. stocks experienced intense volatility (steep declines and quick recoveries), generally posting losses for the current period. Small-cap stocks fared significantly better than their larger counterparts. Non-U.S. markets followed the U.S. on the way down and, in some cases, decelerated at a faster pace than domestic equities a stark reversal of recent years trends, when international stocks generally outpaced U.S. Treasury securities also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose), as the broader flight-to-quality persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily moved out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then declined again to 3.83% by the end when credit fears resurfaced. Tax-exempt issues posted positive returns, but problems among municipal bond insurers and the collapse in the market for auction rate securities pressured the group throughout the course of the past year. Economic and financial market distress also dampened the performance of high yield issues, which were very volatile due to the macro factors noted above.

Overall, severe market instability resulted in mixed results for the major benchmark indexes:

| <b>Total Returns as of August 31, 2008</b>  | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| U.S. equities (S&P 500 Index)   | (2.57)%        | (11.14)%        |
| Small cap U.S. equities (Russell 2000 Index)  | 8.53           | (5.48)          |
| International equities (MSCI Europe, Australasia, Far East Index)                   | (10.18)        | (14.41)         |
| Fixed income (Lehman Brothers U.S. Aggregate Index)                                 | 0.18           | 5.86            |
| Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)                      | 5.12           | 4.48            |
| High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index) | 0.74           | (0.66)          |

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

Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our views on the economy and financial markets, we invite you to visit [www.blackrock.com/funds](http://www.blackrock.com/funds). As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito  
 President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Fund Summary as of August 31, 2008 **BlackRock Floating Rate Income Strategies Fund II, Inc.**

### Investment Objective

**BlackRock Floating Rate Income Strategies Fund II, Inc. (FRB) (the Fund)** seeks a high current income and such preservation of capital consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments.

### Fund Performance

For the six months ended August 31, 2008, the Fund returned 2.84% based on market price and 5.25% based on net asset value (NAV). During the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 2.61% on a NAV basis. The Credit Suisse Loan Index returned 2.79% over the same time period. All returns reflect reinvestment of dividends. The period featured considerable volatility, with downward pressure on the market during the early months and a significant rebound in April that accounted for the majority of the Fund's return for the annual period. In general, the Fund was conservatively invested, which aided in the volatile months, while good sector and security selection allowed the Fund to participate in the April rally. The Fund's discount to NAV, which widened from 8.2% to 10.3% during the six months, accounts for the difference between performance based on price and performance based on NAV.

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

### Fund Information

|  |               |
|--|---------------|
| Symbol on New York Stock Exchange  | FRB           |
| Initial Offering Date  | July 30, 2004 |
| Yield on Closing Market Price as of August 31, 2008 (\$14.44) <sup>1</sup> | 10.25%        |
| Current Monthly Distribution per share of Common Stock <sup>2</sup>        | \$0.12335     |
| Current Annualized Distribution per share of Common Stock <sup>2</sup>     | \$1.4802      |
| Leverage as of August 31, 2008 <sup>3</sup>                                | 25%           |

<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 is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

<sup>3</sup> As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

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

|                 | 8/31/08 | 2/29/08 | Change  | High    | Low     |
|-----------------|---------|---------|---------|---------|---------|
| Market Price    | \$14.44 | \$14.75 | (2.10)% | \$15.85 | \$13.53 |
| Net Asset Value | \$16.09 | \$16.06 | 0.19%   | \$16.83 | \$15.70 |

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

### Portfolio Composition

| Asset Mix                    | 8/31/08 | 2/29/08 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 67%     | 70%     |
| Corporate Bonds              | 32      | 29      |
| Common Stocks                | 1       | 1       |

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

| Credit Rating | 8/31/08 | 2/29/08 |
|---------------|---------|---------|
| AA/Aa         | 4%      |         |
| BBB/Baa       | 11      | 12%     |
| BB/Ba         | 10      | 13      |
| B/B           | 53      | 38      |
| CCC/Caa       | 18      | 26      |
| Not Rated     | 4       | 11      |

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

<sup>4</sup> SEMI-ANNUAL REPORT AUGUST 31, 2008

## Fund Summary as of August 31, 2008 BlackRock Senior High Income Fund, Inc.

### Investment Objective

**BlackRock Senior High Income Fund, Inc. (ARK) (the Fund)** seeks to provide shareholders with as high a level of current income as is consistent with its investment policies and prudent investment management by investing principally in senior debt obligations of companies, including commercial mortgages, bank loans made by banks and other financial institutions and both privately placed and publicly offered corporate bonds and notes.

### Performance

For the six months ended August 31, 2008, the Fund returned (6.88)% based on market price and 1.41% based on NAV. For the same period, the Fund's performance was outperformed by the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (6.14)% on a NAV basis. All returns reflect reinvestment of dividends. During the period, high yield loans which made up about 51% of the Fund's portfolio as of August 31, 2008 outperformed high yield bonds, which aided relative performance as most of the other funds in the Lipper category invest primarily in high yield bonds. As of August 31, 2008, the Fund was more modestly leveraged (27% of managed net assets) versus many of its counterparts, which also helped relative performance during this very challenging market. The Fund's discount to NAV, which widened from 2.6% to 10.5% during the period, accounts for the difference between performance based on price and performance based on NAV.

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

## Fund Information

|   |                |
|---|----------------|
| Symbol on New York Stock Exchange   | ARK            |
| Initial Offering Date   | April 30, 1993 |
| Yield on Closing Market Price as of August 31, 2008 (\$4.33) <sup>1</sup> | 11.09%         |
| Current Monthly Distribution per share of Common Stock <sup>2</sup>       | \$0.04         |
| Current Annualized Distribution per share of Common Stock <sup>2</sup>    | \$0.48         |
| Leverage as of August 31, 2008 <sup>3</sup>                               | 27%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

<sup>2</sup> The distribution is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain at fiscal year end.

<sup>3</sup> As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

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

|                 | 8/31/08 | 2/29/08 | Change   | High   | Low    |
|-----------------|---------|---------|----------|--------|--------|
| Market Price    | \$4.33  | \$4.91  | (11.81)% | \$5.20 | \$4.22 |
| Net Asset Value | \$4.84  | \$5.04  | (3.97)%  | \$5.19 | \$4.82 |

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

### Portfolio Composition

|                              | 8/31/08 | 2/29/08 |
|------------------------------|---------|---------|
| <b>Asset Mix</b>             |         |         |
| Corporate Bonds              | 48%     | 52%     |
| Floating Rate Loan Interests | 51      | 48      |
| Common Stocks                | 1       |         |

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

|                      | 8/31/08 | 2/29/08 |
|----------------------|---------|---------|
| <b>Credit Rating</b> |         |         |
| AA/Aa                | 2%      |         |
| BBB/Baa              | 5       | 5%      |

|           |    |    |
|-----------|----|----|
| BB/Ba     | 22 | 21 |
| B/B       | 59 | 62 |
| CCC/Caa   | 10 | 6  |
| CC/Ca     | 1  | 3  |
| Not Rated | 1  | 3  |

<sup>4</sup> Using the highest of S&P's and Moody's Ratings.

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AUGUST 31, 2008

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## The Benefits and Risks of Leveraging

BlackRock Floating Rate Income Strategies Fund II, Inc. and BlackRock Senior High Income Fund, Inc. (each a "Fund" and, collectively, the "Funds") may utilize leverage through borrowings or issuance of short-term debt securities. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on their longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental yield.

Leverage creates risks for shareholders, including the likelihood of greater NAV and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings may reduce the Common Shareholders' yield and negatively impact its NAV and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of lever-

age, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced.

**Under the Investment Company Act of 1940, the Funds are permitted to borrow through a credit facility and the issuance of short-term debt securities up to 33<sup>1</sup>/<sub>3</sub> % of total managed assets.** As of August 31, 2008, the Funds had outstanding leverage credit facility borrowings as a percentage of total managed assets as follows:

Percent of  
Leverage

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|  |     |
|--|-----|
| BlackRock Floating Rate Income Strategies Fund II, Inc | 25% |
| BlackRock Senior High Income Fund, Inc                 | 27% |

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### Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or

market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Funds have entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

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AUGUST 31, 2008

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## Schedule of Investments August 31, 2008 (Unaudited)

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

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests  |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Aerospace &amp; Defense 3.1%</b>                                   |     |              |            |
| Hawker Beechcraft Acquisition Co. LLC:                                |     |              |            |
| Facility Deposits, 2.701%, 3/26/14                                    | USD | 144          | \$ 134,180 |
| Term Loan, 4.801%, 3/26/14  |     | 2,467        | 2,296,709  |
| IAP Worldwide Services, Inc. First Lien Term Loan,<br>8.25%, 12/30/12 |     | 1,354        | 1,053,554  |
| Vought Aircraft Industries, Inc.:                                     |     |              |            |
| Term Loan, 4.97%, 12/22/11  |     | 1,625        | 1,510,933  |
| Tranche B Line of Credit Deposit,<br>2.486%, 12/22/10                 |     | 320          | 302,400    |
|   |     |              | 5,297,776  |

### Airlines 0.4%

US Airways Group, Inc. Term Loan,

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|   |     |       |           |
|---|-----|-------|-----------|
| 4.969%, 3/24/14   |     | 990   | 678,150   |
| <hr/>   |     |       |           |
| <b>Auto Components 3.1%</b>   |     |       |           |
| Allison Transmission, Inc. Term Loan,<br>5.22% 5.56%, 8/27/14                           |     | 2,938 | 2,635,287 |
| Dana Holding Corp. Term Advance, 6.75%, 1/31/15   |     | 1,767 | 1,623,994 |
| GPX International Tire Corp. Tranche B Term Loan,<br>9.67% 9.81%, 3/30/12               |     | 902   | 667,318   |
| Metaldyne Co. LLC:  |     |       |           |
| Initial Tranche Term Loan B, 6.50%, 1/13/14   |     | 392   | 219,447   |
| Letter of Credit, 2.336% 6.563%, 1/15/12  |     | 57    | 32,272    |
|   |     |       | <hr/>     |
|   |     |       | 5,178,318 |
| <hr/>   |     |       |           |
| <b>Automobiles 0.1%</b>   |     |       |           |
| Ford Motor Co. Term Loan, 5.47%, 12/16/13   |     | 300   | 232,050   |
| <hr/>   |     |       |           |
| <b>Beverages 0.2%</b>   |     |       |           |
| Culligan International Second Lien Term Loan,<br>9.229% 9.615%, 5/24/13                 | EUR | 500   | 366,763   |
| <hr/>   |     |       |           |
| <b>Biotechnology 0.3%</b>   |     |       |           |
| Talecris Biotherapeutics, Holdings Corp. First Lien<br>Term Loan, 5.97% 6.31%, 12/06/13 | USD | 496   | 480,094   |
| <hr/>   |     |       |           |
| <b>Building Products 1.3%</b>   |     |       |           |
| Building Material Corp. of America Term Loan<br>Advance, 5.438% 5.563%, 2/24/14         |     | 1,995 | 1,711,544 |
| Masonite International:   |     |       |           |
| Term Loan, 4.63% 5.046%, 4/06/13  |     | 274   | 233,117   |
| U.S. Term Loan, 4.63% 5.046%, 4/06/13   |     | 275   | 234,188   |
|   |     |       | <hr/>     |
|   |     |       | 2,178,849 |
| <hr/>   |     |       |           |
| <b>Capital Markets 0.3%</b>   |     |       |           |
| RiskMetrics Group Holdings LLC First Lien Term Loan B,<br>4.801%, 1/10/14               |     | 484   | 466,202   |
| <hr/>   |     |       |           |
| <b>Chemicals 6.7%</b>   |     |       |           |
| Edwards (Cayman Islands II) Limited Term Loan<br>(First Lien), 4.81%, 5/30/14           |     | 495   | 429,413   |
| GenTek, Inc. First Lien Term Loan,<br>4.78% 4.79%, 2/28/11                              |     | 1,274 | 1,184,859 |
| Huish Detergents, Inc. Tranche Term Loan B,<br>4.81%, 4/28/14                           |     | 743   | 672,581   |
| ISP Chemco LLC Term Loan, 4% 4.313%, 6/04/14  |     | 495   | 456,638   |
| Ineos Group Plc:  |     |       |           |
| Term B-2 Facility, 4.885%, 12/16/13   |     | 248   | 209,483   |
| Term C-2 Facility, 5.385%, 12/15/14   |     | 248   | 209,483   |
| PQ Corp. (Niagara Acquisition, Inc.) First Lien   |     |       |           |

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|   |       |           |
|---|-------|-----------|
| Term Loan, 5.92% 6.05%, 7/30/14                                       | 2,000 | 1,871,250 |
| Rockwood Specialties Group, Inc. Tranche E Term Loan, 4.299%, 7/30/12 | 3,344 | 3,204,286 |

| <b>Floating Rate Loan Interests</b> | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------|----------------------|--------------|
|-------------------------------------|----------------------|--------------|

**Chemicals (concluded)**

|   |           |            |
|---|-----------|------------|
| Solutia, Inc. Term Loan, 8.50%, 2/28/14                     | USD 1,000 | \$ 963,438 |
| Viridian Group Plc Term Loan, 8.722% 9.654%, 12/21/12       | GBP 1,000 | 1,613,227  |
| Wellman, Inc. Second Lien Term Loan, 9.989%, 2/10/10 (b)(c) | USD 2,000 | 400,000    |
|   |           | 11,214,658 |

**Commercial Services & Supplies 3.1%**

|  |       |           |
|--|-------|-----------|
| Amsted Industries, Inc. Term Loan B, 4.68% 4.81%, 3/28/13          | 1,213 | 1,170,065 |
| ARAMARK Corp.:   |       |           |
| Line of Credit Facility Letter of Credit, 2.44%, 1/27/14           | 53    | 49,888    |
| U.S. Term Loan, 4.676%, 1/26/14                                    | 829   | 785,271   |
| Brickman Group Holdings, Inc. Tranche Term Loan B, 4.801%, 1/23/14 | 494   | 441,906   |
| Camelbak Products LLC First Lien Term Loan, 8%, 8/04/11            | 615   | 427,274   |
| John Maneely Co. Term Loan, 6.042% 6.048%, 12/09/13                | 670   | 658,107   |
| Synagro Technologies, Inc. Term Loan, 4.81%, 4/02/14               | 990   | 836,550   |
| West Corp. Term Loan B-2, 4.844% 5.171%, 10/24/13                  | 985   | 864,211   |
|  |       | 5,233,272 |

**Computers & Peripherals 1.1%**

|  |       |           |
|--|-------|-----------|
| Intergraph Corp.:  |       |           |
| First Lien Initial Term Loan, 4.809%, 5/29/14                    | 419   | 397,756   |
| Second Lien Term Loan, 8.809%, 11/28/14                          | 500   | 480,000   |
| Reynolds and Reynolds Co. First Lien Term Loan, 4.801%, 10/31/12 | 1,144 | 1,057,919 |
|  |       | 1,935,675 |

**Construction & Engineering 0.3%**

|   |     |         |
|---|-----|---------|
| Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.) First Lien Term Loan B, 5.063%, 2/09/15 | 493 | 453,386 |
|---|-----|---------|

**Construction Materials 0.6%**

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|   |  |       |           |
|---|--|-------|-----------|
| Headwaters, Inc. Term Loan B-1 (First Lien),<br>6.97%, 4/30/11                          |  | 1,077 | 1,028,117 |
| <hr/>   |  |       |           |
| <b>Containers &amp; Packaging 1.9%</b>  |  |       |           |
| Berry Plastics Group, Inc. Term Loan B, 9.791%, 6/05/14                                 |  | 594   | 326,703   |
| Graham Packaging Co., L New Term Loan,<br>4.938% 5.063%, 10/07/11                       |  | 988   | 938,279   |
| Graphic Packaging International, Inc. Incremental Term<br>Loan, 5.535% 5.884%, 5/16/14  |  | 1,990 | 1,919,106 |
| <hr/>   |  |       |           |
|   |  |       | 3,184,088 |
| <hr/>   |  |       |           |
| <b>Distributors 0.4%</b>  |  |       |           |
| Keystone Automotive Operations, Inc. Term Loan,<br>5.963% 5.972%, 1/12/12               |  | 956   | 669,028   |
| <hr/>   |  |       |           |
| <b>Diversified Consumer Services 0.8%</b>   |  |       |           |
| Coinmach Corp. Term Loan,<br>5.48% 5.81%, 11/14/14                                      |  | 1,496 | 1,374,671 |
| <hr/>   |  |       |           |
| <b>Diversified Financial Services 1.4%</b>  |  |       |           |
| DaimlerChrysler Financial Services America, LLC First<br>Lien Term Loan, 6.78%, 8/03/12 |  | 1,990 | 1,576,641 |
| J.G. Wentworth, LLC First Lien Term Loan,<br>5.051%, 4/15/14                            |  | 1,000 | 770,000   |
| <hr/>   |  |       |           |
|   |  |       | 2,346,641 |
| <hr/>   |  |       |           |
| <b>Electrical Equipment 0.3%</b>  |  |       |           |
| Generac Acquisition Corp. First Lien Term Loan,<br>5.288%, 11/11/13                     |  | 690   | 532,661   |
| <hr/>   |  |       |           |

See Notes to Financial Statements.

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AUGUST 31, 2008

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## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests | Par<br>(000) | Value |
|------------------------------|--------------|-------|
|------------------------------|--------------|-------|

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**Energy Equipment & Services 1.4%**

|  |         |            |
|--|---------|------------|
| Dresser, Inc.:                         |         |            |
| Second Lien Term Loan, 8.557%, 5/04/15 | USD 500 | \$ 480,000 |
| Term Loan B, 4.716% 5.057%, 5/04/14    | 971     | 925,688    |
| MEG Energy Corp.:                      |         |            |
| Delayed Draw Term Loan, 4.80%, 4/03/13 | 498     | 475,502    |
| Initial Term Loan, 4.80%, 4/03/13      | 488     | 466,604    |
|  |         | 2,347,794  |

**Food & Staples Retailing 1.7%**

|   |           |           |
|---|-----------|-----------|
| Alliance Boots Plc Term Loan B, 5.801%, 7/09/15     | GBP 1,500 | 2,424,967 |
| DS Waters of America Term Loan, 4.719%,<br>10/29/12 | USD 466   | 430,946   |
|   |           | 2,855,913 |

**Food Products 2.7%**

|  |       |           |
|--|-------|-----------|
| Dole Food Co., Inc.:                                       |       |           |
| Credit-Linked Deposit, 2.658%, 4/12/13                     | 640   | 587,835   |
| Tranche Term Loan B, 4.50% 6%, 4/12/13                     | 260   | 238,798   |
| Tranche Term Loan C, 4.50% 6%, 4/12/13                     | 1,602 | 1,469,915 |
| Sturm Foods, Inc.:   |       |           |
| First Lien Initial Term Loan,<br>5.25% 5.375%, 1/31/14 (d) | 494   | 402,406   |
| Second Lien Initial Term Loan, 8.875%, 7/31/14             | 500   | 305,000   |
| Wrigley Co. Term Loan B, 6.402%, 8/11/14                   | 1,500 | 1,505,894 |
|  |       | 4,509,848 |

**Health Care Equipment & Supplies 1.9%**

|  |       |           |
|--|-------|-----------|
| Biomet, Inc. Dollar Term Loan, 5.801%, 3/25/15       | 2,484 | 2,432,510 |
| DJO Finance LLC Term Loan, 5.469% 5.801%,<br>5/20/14 | 498   | 485,063   |
| Hologic, Inc. Tranche Term Loan B, 5.75%, 3/31/13    | 334   | 331,710   |
|  |       | 3,249,283 |

**Health Care Providers & Services 2.7%**

|   |       |           |
|---|-------|-----------|
| Community Health Systems, Inc. Funded Term Loan,<br>4.719% 5.06%, 7/25/14 | 2,340 | 2,211,813 |
| DaVita, Inc. Tranche Term Loan B-1, 3.97% 4.32%,<br>10/05/12              | 1,000 | 961,563   |
| Health Management Associates, Inc. Term Loan B,<br>4.551%, 2/28/14        | 1,415 | 1,295,241 |
|   |       | 4,468,617 |

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**Hotels, Restaurants & Leisure 2.8%**

|   |       |           |
|---|-------|-----------|
| Golden Nugget, Inc., First Lien Term Advance,<br>4.47% 4.48%, 6/30/14 | 348   | 292,728   |
| Harrah s Operating Co., Inc.:   |       |           |
| Term Loan B-1, 5.80%, 1/28/15   | 158   | 138,920   |
| Term Loan B-2, 5.80% 5.801%, 1/28/15                                  | 1,696 | 1,485,265 |
| Term Loan B-3, 5.80% 5.801%, 1/28/15                                  | 141   | 123,367   |
| Lake at Las Vegas Joint Venture/LLV-1, LLC (c):                       |       |           |
| Revolving Loan Credit, 16.10%, 6/20/12                                | 60    | 9,028     |
| Term Loan, 16.10%, 6/20/12  | 455   | 68,226    |
| Las Vegas Sands LLC:  |       |           |
| Delay Draw Term Loan, 4.56%, 5/23/14                                  | 200   | 170,182   |
| Tranche Term Loan B, 4.56%, 5/23/14                                   | 792   | 673,920   |
| QCE LLC First Lien Term Loan, 4.813%, 5/05/13                         | 460   | 388,189   |
| VML US Finance LLC (Venetian Macau):                                  |       |           |
| Delay Draw Project Loan, 5.06%, 5/25/12                               | 500   | 484,167   |
| Funded Project Loan, 5.06%, 5/27/13                                   | 1,000 | 968,333   |
|   |       | 4,802,325 |

| Floating Rate Loan Interests | Par<br>(000) | Value |
|------------------------------|--------------|-------|
|------------------------------|--------------|-------|

**Household Durables 1.9%**

|  |     |       |            |
|--|-----|-------|------------|
| American Residential Services LLC Second Lien<br>Term Loan, 12%, 4/17/15 | USD | 1,000 | \$ 986,173 |
| Simmons Bedding Co. Tranche Term Loan D,<br>4.50% 7.125%, 12/19/11       |     | 1,686 | 1,565,920  |
| The Yankee Candle Co., Inc. Term Loan,<br>4.48% 4.81%, 2/06/14           |     | 750   | 654,375    |
|  |     |       | 3,206,468  |

**IT Services 3.3%**

|  |  |       |           |
|--|--|-------|-----------|
| Activant Solutions Inc. Term Loan,<br>4.688% 4.813%, 5/02/13             |  | 1,229 | 1,062,899 |
| Audio Visual Services Group, Inc. Tranche Term Loan B,<br>5.06%, 2/28/14 |  | 993   | 843,625   |
| Ceridian Corp. U.S. Term Loan, 5.464%, 11/09/14                          |  | 1,750 | 1,645,000 |
| First Data Corp.:  |  |       |           |
| Initial Tranche B-2, 5.222% 5.552%, 9/24/14                              |  | 1,795 | 1,645,493 |
| Initial Tranche B-3, 5.551% 5.552%, 9/24/14                              |  | 497   | 455,898   |
|  |  |       | 5,652,915 |

**Independent Power Producers & Energy Traders 1.7%**

|  |  |    |        |
|--|--|----|--------|
| Calpine Generating Co. LLC Second Priority Term Loan,<br>11.07%, 4/01/10 |  | 43 | 40,266 |
|--|--|----|--------|

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|   |                        |       |           |
|---|------------------------|-------|-----------|
| Texas Competitive Electric Holdings Co. LLC (TXU):    |                        |       |           |
| Term Loan B-2, 5.963%                                 | 6.303%, 10/10/29       | 992   | 924,954   |
| Term Loan B-3, 5.963%                                 | 6.303%, 10/10/14       | 1,985 | 1,846,050 |
|   |                        |       | 2,811,270 |
| <hr/>   |                        |       |           |
| <b>Industrial Conglomerates 1.1%</b>                  |                        |       |           |
| Sequa Corp. Term Loan, 6.06%,                         | 12/03/14               | 1,997 | 1,900,082 |
| <hr/>   |                        |       |           |
| <b>Insurance 0.5%</b>                                 |                        |       |           |
| Alliant Holdings I, Inc. Term Loan, 5.801%,           | 8/21/14                | 992   | 912,469   |
| <hr/>   |                        |       |           |
| <b>Internet &amp; Catalog Retail 0.3%</b>             |                        |       |           |
| FTD Group, Inc. Tranche Term Loan B, 7.50%,           | 8/04/14                | 500   | 485,000   |
| <hr/>   |                        |       |           |
| <b>Leisure Equipment &amp; Products 3.0%</b>          |                        |       |           |
| 24 Hour Fitness Worldwide, Inc. Tranche Term Loan B,  | 4.97% 5.17%, 6/08/12   | 1,955 | 1,818,150 |
| Easton-Bell Sports, Inc. Tranche Term Loan B,         | 4.22% 4.44%, 3/16/12   | 1,995 | 1,795,408 |
| True Temper Sports, Inc. Term Loan B,                 | 6.034% 6.061%, 3/15/11 | 1,533 | 1,379,258 |
|   |                        |       | 4,992,816 |
| <hr/>   |                        |       |           |
| <b>Machinery 2.5%</b>                                 |                        |       |           |
| Blount, Inc. U.S. Term Loan B, 4.214%,                | 8/09/10                | 1,120 | 1,069,876 |
| Navistar International Corp.:                         |                        |       |           |
| Revolving Credit Linked Deposit, 5.739%               | 6.046%, 1/19/12        | 400   | 368,500   |
| Term Advance, 6.046%                                  | 6.292%, 1/19/12        | 1,100 | 1,013,375 |
| OshKosh Truck Corp. Term Loan B, 4.22%                | 4.43%, 12/06/13        | 1,865 | 1,696,367 |
|   |                        |       | 4,148,118 |
| <hr/>   |                        |       |           |
| <b>Media 22.7%</b>                                    |                        |       |           |
| Affinion Group Holdngs, Inc. Term Loan, 9.368%,       | 3/01/12                | 300   | 251,625   |
| AlixPartners, LLP Tranche Term Loan C, 4.79%,         | 10/12/13               | 1,085 | 1,043,859 |
| Bresnan Telecommunications, LLC Additional First Lien |                        |       |           |
| Term Loan B, 5.02%,                                   | 6/30/13                | 500   | 476,667   |
| Catalina Marketing Corp. Initial Term Loan,           | 5.801%, 10/01/14       | 995   | 934,050   |
| Cequel Communications LLC (Cebridge):                 |                        |       |           |
| Second Lien Term Loan, 8.801%                         | 8.804%, 5/04/14        | 1,000 | 876,000   |
| Term Loan, 4.791%                                     | 6%, 11/05/13           | 1,494 | 1,394,276 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests   |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Media (concluded)</b>   |     |              |              |
| Charter Communications, Operating LLC Replacement<br>Term Loan, 4.67% 4.80%, 3/06/14 | USD | 3,980        | \$ 3,476,419 |
| Clarke American Corp. Tranche Term Loan B,<br>5.291% 5.301%, 6/30/14                 |     | 990          | 813,780      |
| Education Media and Publishing:  |     |              |              |
| First Lien Term Loan B, 6.464%, 11/14/14   |     | 1,318        | 1,183,068    |
| Second Lien Term Loan, 6.464%, 11/14/14  |     | 4,655        | 3,724,174    |
| GateHouse Media Operating, Inc. Initial Term Loan B,<br>4.81%, 8/28/14               |     | 700          | 376,250      |
| Getty Images, Inc. Initial Term Loan, 7.25%, 7/02/15                                 |     | 500          | 499,219      |
| Gray Television, Inc. Term Loan B,<br>3.97% 4.29%, 12/31/14                          |     | 900          | 747,034      |
| Hanley-Wood LLC Term Loan,<br>4.711% 4.717%, 3/08/14                                 |     | 995          | 772,369      |
| Insight Midwest Holdings, LLC Term Loan B,<br>4.47%, 4/07/14                         |     | 2,025        | 1,944,634    |
| Intelsat Subsidiary Holding Co. Ltd. Tranche Term<br>Loan B, 5.288%, 7/03/13         |     | 946          | 906,893      |
| Knology, Inc. Term Loan, 5.038%, 6/30/12   |     | 495          | 455,400      |
| Mediacom Broadband Group Tranche A Term Loan,<br>3.97% 3.98%, 3/31/10                |     | 1,365        | 1,296,750    |
| Mediacom Illinois, LLC (Mediacom Communications, LLC):                               |     |              |              |
| Term Loan C, 4.22% 4.23%, 1/31/15  |     | 2,115        | 1,952,795    |
| Term Loan D, 4.22% 4.23%, 1/31/15  |     | 997          | 920,165      |
| Metro-Goldwyn-Mayer, Inc. Tranche Term<br>Loan B, 6.051%, 4/09/12                    |     | 1,909        | 1,438,318    |
| Multicultural Radio Broadcasting Inc. Term Loan,<br>5.422%, 12/18/12                 |     | 349          | 314,100      |
| NEP II Inc. Term Loan B, 5.051%, 2/16/14   |     | 740          | 666,557      |
| National Cinemedia LLC Term Loan,<br>4.54%, 2/13/15                                  |     | 750          | 674,598      |
| NextMedia Operating, Inc.:   |     |              |              |
| Delay Draw Term Loan, 6.466%, 11/15/12   |     | 440          | 382,934      |
| First Lien Term Loan, 6.472%, 11/15/12   |     | 829          | 721,371      |
| PanAmSat Corp.:  |     |              |              |
| Term Loan B, 5.288%, 1/03/14   |     | 601          | 571,371      |
| Term Loan B-2, 5.288%, 1/03/14   |     | 601          | 571,543      |

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|   |     |       |           |
|---|-----|-------|-----------|
| Term Loan B-2C, 5.288%, 1/03/14   |     | 601   | 571,371   |
| Penton Media, Inc. Second Lien Term Loan,<br>7.799%, 2/01/14                          |     | 493   | 374,016   |
| ProSiebenSat 1 Media AG Term Loan B,<br>6.86% 7.526%, 6/30/15                         | EUR | 500   | 504,115   |
| San Juan Cable Term Loan B, 9.47%, 3/15/13  | USD | 1,124 | 985,718   |
| Spanish Broadcasting System, Inc. Tranche 2 First<br>Lien Term Loan B, 4.56%, 6/10/12 |     | 2,425 | 1,842,857 |
| Thomson Learning, Inc. Term Loan B-2,<br>7.50%, 7/05/14                               |     | 4,250 | 4,207,500 |
| Weather Channel Term Loan B, 7.205%, 6/01/15  |     | 500   | 483,750   |

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38,355,546

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**Multi-Utilities 3.7%**

|  |  |       |           |
|--|--|-------|-----------|
| Riverside Energy Center Term Loan, 7.049%, 6/24/11 |  | 3,973 | 3,972,694 |
| Rocky Mountain Energy Center LLC:                  |  |       |           |
| Credit-Linked Deposit, 2.699%, 6/24/11             |  | 340   | 339,834   |
| Term Loan, 7.049%, 6/24/11                         |  | 1,988 | 1,987,739 |

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6,300,267

---

**Floating Rate Loan Interests**

**Par  
(000)**

**Value**

**Multiline Retail 1.3%**

|   |  |           |              |
|---|--|-----------|--------------|
| Neiman Marcus Group, Inc. Term Loan,<br>4.422%, 4/06/13 |  | USD 2,322 | \$ 2,154,910 |
|---|--|-----------|--------------|

**Oil, Gas & Consumable Fuels 1.1%**

|   |  |     |         |
|---|--|-----|---------|
| Coffeyville Resources LLC:                        |  |     |         |
| Funded Letter of Credit, 2.691%, 12/28/10         |  | 162 | 147,568 |
| Tranche Term Loan D, 5.541% 6.75%, 12/30/13       |  | 525 | 477,669 |
| Vulcan Energy Corp. Term Loan B-3, 6.25%, 8/12/11 |  | 750 | 746,250 |
| Western Refining, Inc. Term Loan, 7.75%, 5/30/14  |  | 495 | 427,038 |

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1,798,525

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**Paper & Forest Products 2.9%**

|   |  |       |           |
|---|--|-------|-----------|
| Boise Paper Holdings LLC (Aldabra Sub LLC) Second<br>Lien Term Loan, 7.50%, 2/24/15 |  | 748   | 744,785   |
| Georgia-Pacific LLC:  |  |       |           |
| First Lien Term Loan B,<br>4.219% 4.551%, 2/14/13                                   |  | 1,580 | 1,491,830 |
| Term Loan B, 4.219% 4.551%, 12/20/12  |  | 409   | 386,063   |
| NewPage Corp. Term Loan, 6.563%, 12/22/14   |  | 1,243 | 1,211,723 |
| Verso Paper Finance Holdings LLC Term Loan,<br>9.033%, 2/01/13                      |  | 1,158 | 1,085,700 |

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|  |     |       |             |
|--|-----|-------|-------------|
|  |     |       | 4,920,101   |
| <b>Pharmaceuticals 0.9%</b>                          |     |       |             |
| Pharmaceutical Technologies & Services (PTS)         |     |       |             |
| Term Loan:   |     |       |             |
| 5.051%, 4/15/14                                      |     | 990   | 863,775     |
| 7.205%, 4/15/14                                      | EUR | 495   | 639,045     |
|  |     |       | 1,502,820   |
| <b>Professional Services 0.2%</b>                    |     |       |             |
| Booz Allen Hamilton, Inc. Tranche Term Loan B,       |     |       |             |
| 7.50%, 7/31/15                                       | USD | 250   | 250,104     |
| <b>Real Estate 0.6%</b>                              |     |       |             |
| Realogy Corp. Letter of Credit, 2.44%, 10/10/13      |     |       |             |
|  |     | 1,230 | 1,015,263   |
| <b>Real Estate Management &amp; Development 0.2%</b> |     |       |             |
| Mattamy Funding Partnership Term Loan, 5.063%,       |     |       |             |
| 4/11/13  |     | 489   | 406,884     |
| <b>Road &amp; Rail 0.6%</b>                          |     |       |             |
| Rail America, Inc.:                                  |     |       |             |
| Canadian Term Loan, 6.79%, 8/14/09                   |     | 530   | 527,749     |
| U.S. Term Loan, 6.79%, 8/14/09                       |     | 469   | 467,252     |
|  |     |       | 995,001     |
| <b>Specialty Retail 0.8%</b>                         |     |       |             |
| ADESA, Inc. (KAR Holdings Inc.) Initial Term Loan B, |     |       |             |
| 5.06%, 10/21/13                                      |     | 983   | 874,279     |
| Burlington Coat Factory Warehouse Corp. Term Loan B, |     |       |             |
| 5.06%, 5/28/13                                       |     | 294   | 227,302     |
| Claire's Stores Inc. Term Loan B,                    |     |       |             |
| 5.219% 5.56%, 5/29/14                                |     | 494   | 329,937     |
|  |     |       | 1,431,518   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.2%</b>     |     |       |             |
| Renfro Corp. Tranche Term Loan B, 5.92%              |     |       |             |
| 6.06%, 10/04/13                                      |     | 463   | 380,713     |
| <b>Wireless Telecommunication Services 0.2%</b>      |     |       |             |
| IPC Systems, Inc. Tranche Term Loan B-1,             |     |       |             |
| 5.051%, 6/02/14                                      |     | 495   | 371,250     |
| <b>Total Floating Rate Loan Interests 88.3%</b>      |     |       | 149,076,219 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

AUGUST 31, 2008

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## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| Corporate Bonds   | Par<br>(000) | Value      |
|---|--------------|------------|
| <b>Auto Components 0.3%</b>   |              |            |
| The Goodyear Tire & Rubber Co., 6.678%,<br>12/01/09 (e)             | USD 500      | \$ 500,000 |
| <b>Building Products 1.5%</b>                                       |              |            |
| CPG International I, Inc., 9.904%, 7/01/12 (e)                      | 3,000        | 2,280,000  |
| Momentive Performance Materials, Inc. Series WI,<br>9.75%, 12/01/14 | 300          | 270,750    |
|   |              | 2,550,750  |
| <b>Capital Markets 2.4%</b>   |              |            |
| E*Trade Financial Corp., 12.50%, 11/30/17 (f)                       | 3,000        | 3,210,000  |
| Marsico Parent Co., LLC, 10.625%, 1/15/16 (f)                       | 663          | 556,920    |
| Marsico Parent Holdco, LLC, 12.50%,<br>7/15/16 (c)(e)               | 244          | 202,460    |
| Marsico Parent Superholdco, LLC,<br>14.50%, 1/15/18 (d)(f)          | 165          | 137,104    |
|   |              | 4,106,484  |
| <b>Chemicals 3.6%</b>   |              |            |
| GEO Specialty Chemicals Corp. (g):<br>11.283%, 12/31/09             | 1,079        | 807,901    |
| 7.50%, 3/31/15 (a)(d)(f)  | 647          | 484,459    |
| Hexion U.S. Finance Corp., 7.304%, 11/15/14 (e)                     | 3,000        | 2,287,500  |
| MacDermid, Inc., 9.50%, 4/15/17 (f)                                 | 2,000        | 1,830,000  |
| NOVA Chemicals Corp., 5.953%, 11/15/13 (e)                          | 755          | 649,300    |
|   |              | 6,059,160  |
| <b>Commercial Services &amp; Supplies 1.1%</b>                      |              |            |

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|  |                      |              |
|--|----------------------|--------------|
| ARAMARK Corp., 6.301%, 2/01/15 (e)                                 | 2,000                | 1,860,000    |
| <hr/>  |                      |              |
| <b>Communications Equipment 1.4%</b>                               |                      |              |
| Nortel Networks Ltd., 7.041%, 7/15/11 (e)                          | 2,500                | 2,318,750    |
| <hr/>  |                      |              |
| <b>Computers &amp; Peripherals 1.0%</b>                            |                      |              |
| Quantum Corp., 4.375%, 8/01/10 (g)                                 | 2,000                | 1,655,000    |
| <hr/>  |                      |              |
| <b>Construction Materials 1.0%</b>                                 |                      |              |
| Nortek Holdings, Inc., 10%, 12/01/13 (f)                           | 1,710                | 1,598,850    |
| <hr/>  |                      |              |
| <b>Containers &amp; Packaging 3.3%</b>                             |                      |              |
| Berry Plastics Holding Corp., 6.651%, 9/15/14 (e)                  | 850                  | 637,500      |
| Clondalkin Acquisition BV, 4.776%, 12/15/13 (e)(f)                 | 5,000                | 4,150,000    |
| Packaging Dynamics Finance Corp., 10%,<br>5/01/16 (f)              | 1,240                | 837,000      |
| <hr/>  |                      |              |
|  |                      | 5,624,500    |
| <hr/>  |                      |              |
| <b>Diversified Financial Services 1.4%</b>                         |                      |              |
| FCE Bank Plc, 7.125%, 1/16/12                                      | EUR 2,000            | 2,447,210    |
| <hr/>  |                      |              |
| <b>Diversified Telecommunication Services 0.4%</b>                 |                      |              |
| Qwest Corp., 6.026%, 6/15/13 (e)                                   | USD 800              | 740,000      |
| <hr/>  |                      |              |
| <b>Electronic Equipment &amp; Instruments 0.7%</b>                 |                      |              |
| NXP BV, 5.541%, 10/15/13 (e)                                       | 1,590                | 1,236,225    |
| <hr/>  |                      |              |
| <b>Food &amp; Staples Retailing 0.1%</b>                           |                      |              |
| AmeriQual Group LLC, 9%, 4/01/12 (f)                               | 250                  | 162,500      |
| <hr/>  |                      |              |
| <b>Health Care Equipment &amp; Supplies 2.4%</b>                   |                      |              |
| DJO Finance LLC, 10.875%, 11/15/14                                 | 4,000                | 4,010,000    |
| <hr/>  |                      |              |
| <b>Hotels, Restaurants &amp; Leisure 4.8%</b>                      |                      |              |
| American Real Estate Partners LP, 7.125%, 2/15/13                  | 4,000                | 3,495,000    |
| Harrah s Operating Co., Inc. (f):                                  |                      |              |
| 10.75%, 2/01/16  | 1,376                | 925,360      |
| 10.75%, 2/01/18 (d)  | 221                  | 132,600      |
| Landry s Restaurants, Inc., 9.50%, 12/15/14                        | 1,500                | 1,485,000    |
| <hr/>  |                      |              |
| <b>Corporate Bonds</b>   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <hr/>  |                      |              |
| <b>Hotels, Restaurants &amp; Leisure (concluded)</b>               |                      |              |
| Little Traverse Bay Bands of Odawa Indians,<br>10.25%, 2/15/14 (f) | USD 1,565            | \$ 1,302,863 |
| Travelport LLC, 7.436%, 9/01/14 (e)                                | 950                  | 748,125      |
| <hr/>  |                      |              |

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|  |  |       | 8,088,948 |
|--|--|-------|-----------|
| <hr/>  |  |       |           |
| <b>Household Durables 0.0%</b>                                       |  |       |           |
| The Yankee Candle Co., Inc. 9.75%, 2/15/17                           |  | 100   | 63,500    |
| <hr/>  |  |       |           |
| <b>IT Services 0.5%</b>  |  |       |           |
| First Data Corp., 9.875%, 9/24/15 (f)                                |  | 1,000 | 862,500   |
| <hr/>  |  |       |           |
| <b>Independent Power Producers &amp; Energy Traders 0.3%</b>         |  |       |           |
| Texas Competitive Electric Holdings Co. LLC,<br>10.25%, 11/01/15 (f) |  | 590   | 588,525   |
| <hr/>  |  |       |           |
| <b>Industrial Conglomerates 0.5%</b>                                 |  |       |           |
| Sequa Corp. (f):<br>11.75%, 12/01/15                                 |  | 320   | 281,600   |
| 13.50%, 12/01/15 (d)   |  | 744   | 606,332   |
|  |  |       | 887,932   |
| <hr/>  |  |       |           |
| <b>Insurance 1.5%</b>  |  |       |           |
| American International Group, Inc.,<br>8.25%, 8/15/18 (f)            |  | 2,500 | 2,464,553 |
| <hr/>  |  |       |           |
| <b>Media 2.5%</b>  |  |       |           |
| Charter Communications Holdings II, LLC,<br>10.25%, 9/15/10          |  | 1,825 | 1,752,000 |
| Nielsen Finance LLC, 10%, 8/01/14                                    |  | 1,150 | 1,164,375 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (f)                           |  | 1,000 | 855,000   |
| Windstream Regatta Holdings, Inc.,<br>11%, 12/01/17 (f)              |  | 748   | 433,840   |
|  |  |       | 4,205,215 |
| <hr/>  |  |       |           |
| <b>Metals &amp; Mining 2.5%</b>                                      |  |       |           |
| FMG Finance Property Ltd., 6.811%, 9/01/11 (e)(f)                    |  | 180   | 176,400   |
| Freeport-McMoRan Copper & Gold, Inc.,<br>5.883%, 4/01/15 (e)         |  | 3,180 | 3,188,395 |
| Ryerson, Inc., 10.176%, 11/01/14 (e)(f)                              |  | 840   | 802,200   |
|  |  |       | 4,166,995 |
| <hr/>  |  |       |           |
| <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>                          |  |       |           |
| SandRidge Energy, Inc., 6.416%, 4/01/14 (e)(f)                       |  | 1,000 | 937,821   |
| <hr/>  |  |       |           |
| <b>Paper &amp; Forest Products 4.5%</b>                              |  |       |           |
| Abitibi-Consolidated, Inc., 6.276%, 6/15/11 (e)                      |  | 2,000 | 915,000   |
| Bowater, Inc., 5.776%, 3/15/10 (e)                                   |  | 2,000 | 1,640,000 |
| NewPage Corp., 10%, 5/01/12  |  | 2,000 | 1,940,000 |
| Verso Paper Holdings LLC Series B, 6.551%,<br>8/01/14 (e)            |  | 3,500 | 3,115,000 |

|  |  |       |           |
|--|--|-------|-----------|
|  |  |       | 7,610,000 |
| <b>Pharmaceuticals 0.3%</b>                                  |  |       |           |
| Angiotech Pharmaceuticals, Inc., 6.56%, 12/01/13 (e)         |  | 500   | 442,500   |
| <b>Real Estate Management &amp; Development 0.3%</b>         |  |       |           |
| Realogy Corp., 11%, 10/10/13 (d)                             |  | 1,215 | 571,050   |
| <b>Road &amp; Rail 0.0%</b>                                  |  |       |           |
| Swift Transportation Co., Inc., 10.554%, 5/12/14 (e)(f)      |  | 175   | 61,250    |
| <b>Semiconductors &amp; Semiconductor Equipment 1.1%</b>     |  |       |           |
| Avago Technologies Finance Pte. Ltd., 8.311%,<br>6/01/13 (e) |  | 600   | 600,000   |
| Spansion, Inc., 5.935%, 6/01/13 (e)(f)                       |  | 1,690 | 1,174,550 |
|  |  |       | 1,774,550 |

See Notes to Financial Statements.

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AUGUST 31, 2008

## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

| Corporate Bonds  | Par<br>(000) | Value      |
|--|--------------|------------|
| <b>Specialty Retail 0.7%</b>                               |              |            |
| AutoNation, Inc., 4.791%, 4/15/13 (e)                      | USD 250      | \$ 206,250 |
| General Nutrition Centers, Inc., 7.199%,<br>3/15/14 (d)(e) | 350          | 292,792    |
| Michaels Stores, Inc., 11.375%, 11/01/16                   | 940          | 601,600    |
|  |              | 1,100,642  |
| <b>Wireless Telecommunication Services 1.6%</b>            |              |            |
| Cricket Communications, Inc., 9.375%, 11/01/14             | 1,030        | 1,020,988  |
| Digicel Group Ltd., 9.125%, 1/15/15 (d)(f)                 | 1,249        | 1,128,784  |
| Sprint Capital Corp., 7.625%, 1/30/11                      | 625          | 625,000    |

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|   |  |             |
|---|--|-------------|
|   |  | 2,774,772   |
| <b>Total Corporate Bonds</b> 42.3%                                |  | 71,470,182  |
| <b>Common Stocks</b>  |  |             |
|   | <b>Shares</b>                            |             |
| <b>Capital Markets</b> 0.3%                                       |  |             |
| E*Trade Financial Corp.   | 145,213                                  | 464,682     |
| <b>Chemicals</b> 0.0%   |  |             |
| GEO Specialty Chemicals, Inc. (a)(b)                              | 10,732                                   | 4,120       |
| <b>Electrical Equipment</b> 0.0%                                  |  |             |
| Medis Technologies Ltd. (b)                                       | 13,053                                   | 40,856      |
| <b>Independent Power Producers &amp; Energy Traders</b> 0.1%      |  |             |
| Reliant Energy, Inc. (b)  | 10,424                                   | 177,521     |
| <b>Semiconductors &amp; Semiconductor Equipment</b> 0.4%          |  |             |
| Cypress Semiconductor Corp.                                       | 19,444                                   | 630,374     |
| <b>Total Common Stocks</b> 0.8%                                   |  | 1,317,553   |
| <b>Preferred Stocks</b>   |  |             |
| <b>Capital Markets</b> 0.0%                                       |  |             |
| Marsico Parent Superholdco, LLC, 16.75% (f)                       | 44                                       | 37,620      |
| <b>Total Preferred Stocks</b> 0.0%                                |  | 37,620      |
| <b>Total Long-Term Investments</b><br>(Cost \$246,253,063) 131.4% |  | 221,901,574 |
|   | <b>Beneficial<br/>Interest<br/>(000)</b> |             |
| <b>Short-Term Securities</b>                                      |  |             |
| BlackRock Liquidity Series, LLC Cash Sweep                        |  |             |

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|   |                  |               |
|---|------------------|---------------|
| Series, 2.41% (h)(i)  | USD 1,790        | 1,790,059     |
| <b>Total Short-Term Securities</b><br>(Cost \$1,790,059) 1.1%           |                  | 1,790,059     |
| <b>Options Purchased</b>  | <b>Contracts</b> | <b>Value</b>  |
| <b>Call Options Purchased</b>   |                  |               |
| Marsico Parent Superholdco LLC, expiring<br>December 2009 at USD 942.86 | (j) \$           | 18,590        |
| <b>Total Options Purchased</b><br>(Cost \$10,756) 0.0%                  |                  | 18,590        |
| <b>Total Investments (Cost \$248,053,878*) 132.5%</b>                   |                  | 223,710,223   |
| <b>Liabilities in Excess of Other Assets (32.5)%</b>                    |                  | (54,857,616)  |
| <b>Net Assets 100.0%</b>  |                  | \$168,852,607 |

\* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2008, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$248,075,693   |
| Gross unrealized appreciation | \$ 2,264,717    |
| Gross unrealized depreciation | (26,630,187)    |
| Net unrealized depreciation   | \$ (24,365,470) |

- (a) Security is fair valued.
- (b) Non-income producing security.
- (c) Issuer filed for bankruptcy or is in default of interest payments.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (e) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (g) Convertible security.
- (h) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Net

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| Affiliate  | Activity<br>(000) | Income   |
|--|-------------------|----------|
| BlackRock Liquidity Series, LLC<br>Cash Sweep Series | USD 1,790         | \$36,575 |

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

(j) Amount is less than 1.

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

See Notes to Financial Statements.

SEMI-ANNUAL REPORT AUGUST 31, 2008

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## Schedule of Investments (concluded) BlackRock Floating Rate Income Strategies Fund II, Inc.

Foreign currency exchange contracts as of August 31, 2008 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Settlement<br>Date | Unrealized<br>Appreciation |                   |
|-----------------------|------------------|--------------------|----------------------------|-------------------|
| USD 3,616,854         | EUR              | 2,311,000          | 10/23/08                   | \$ 236,550        |
| USD 2,400,361         | EUR              | 1,639,000          | 10/23/08                   | 2,993             |
| USD 3,853,478         | GBP              | 1,943,000          | 10/23/08                   | 326,189           |
| <b>Total</b>          |                  |                    |                            | <b>\$ 565,732</b> |

Swaps outstanding as of August 31, 2008 were as follows:

|   | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|---|-----------------------------|--|
| Sold credit default protection on Ford Motor<br>Credit Co. and receive 3.80%<br>Broker, UBS Warburg<br>Expires March 2010 | USD 5,000                   | \$(1,027,940)                                |
| Bought credit default protection on Dow   |                             |  |

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|   |           |                     |
|---|-----------|---------------------|
| Jones CDX North America High Yield<br>Index Series 10, Class V1 and pay 5%<br>Broker, Credit Suisse First Boston<br>International<br>Expires June 2013                                | USD 2,000 | 5,728               |
| Bought credit default protection on Dow<br>Jones CDX North America High Yield<br>Series 10 Index and pay 5%<br>Broker, Morgan Stanley Capital Services, Inc.<br>Expires June 2013     | USD 700   | 28,692              |
| Bought credit default protection on Dow<br>Jones CDX North America High Yield<br>Index Series 10 and receive 5%<br>Broker, Morgan Stanley Capital Services, Inc.<br>Expires June 2013 | USD 2,000 | 50,728              |
| <b>Total</b>  |           | <b>\$ (942,792)</b> |

Effective March 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are 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 circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

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

The following table summarizes the inputs used as of August 31, 2008 in determining the fair valuation of the Fund's investments:

| Valuation<br>Inputs | Investments in<br>Securities | Other Financial<br>Instruments* |
|---------------------|------------------------------|---------------------------------|
| Level 1             | \$ 1,313,433                 | \$ 584,322                      |
| Level 2             | 205,429,258                  | (942,792)                       |

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|              |                      |                     |
|--------------|----------------------|---------------------|
| Level 3      | 16,948,942           |                     |
| <b>Total</b> | <b>\$223,691,633</b> | <b>\$ (358,470)</b> |

\* Other financial instruments are foreign currency exchange contracts, options and swaps.

The following is a reconciliation of investments for unobservable inputs (Level 3):

|  | <b>Investments in Securities</b> |
|--|----------------------------------|
| Balance, as of February 29, 2008                 | \$ 985,146                       |
| Realized gain (loss)                             | (138,751)                        |
| Change in unrealized appreciation (depreciation) | (7,494,638)                      |
| Net purchases (sales)                            | (155,521)                        |
| Net transfers in/out of Level 3                  | 23,752,706                       |
| Balance, as of August 31, 2008                   | \$16,948,942                     |

Currency Abbreviations:

**EUR** Euro

**GBP** British Pound

**USD** U.S. Dollar

See Notes to Financial Statements.

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## Schedule of Investments August 31, 2008 (Unaudited)

### BlackRock Senior High Income Fund, Inc.

(Percentages shown are based on Net Assets)

| <b>Floating Rate Loan Interests</b>                                   | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|----------------------|--------------|
| <b>Aerospace &amp; Defense 2.0%</b>                                   |                      |              |
| Hawker Beechcraft Acquisition Co. LLC:                                |                      |              |
| Facility Deposits, 2.701%, 3/26/14                                    | \$ 294               | \$273,541    |
| Term Loan B, 4.801%, 3/26/14  | 5,029                | 4,682,116    |
| IAP Worldwide Services, Inc. First Lien Term Loan,<br>8.25%, 12/30/12 | 822                  | 639,904      |

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|   |       | 5,595,561 |
|---|-------|-----------|
| <hr/>   |       |           |
| <b>Airlines 0.4%</b>  |       |           |
| Delta Air Lines, Inc. Credit-Linked Deposit Loan,<br>2.314% 4.469%, 4/30/12             | 1,238 | 1,033,313 |
| <hr/>   |       |           |
| <b>Auto Components 3.1%</b>   |       |           |
| Allison Transmission, Inc. Term Loan,<br>5.22% 5.56%, 8/27/14                           | 5,142 | 4,612,165 |
| Dana Holding Corp. Term Advance, 6.75%, 1/31/15   | 1,721 | 1,581,992 |
| Goodyear Tire & Rubber Co., Second Lien Term Loan,<br>4.54%, 4/30/14                    | 1,000 | 912,500   |
| Intermet Corp.:   |       |           |
| Letter of Credit, 2.343%, 11/08/10 (b)(c)   | 648   | 550,926   |
| Line of Credit, 2.343%, 11/09/10  | 30    | 25,559    |
| Term Loan B, 7.696%, 5/15/11  | 47    | 39,997    |
| Term Loan B, 7.696%, 11/08/10 (b)(c)  | 447   | 380,058   |
| Metaldyne Co. LLC:  |       |           |
| Initial Tranche Term Loan B, 6.50%, 1/13/14   | 392   | 219,447   |
| Letter of Credit, 2.336% 6.563%, 1/11/12  | 57    | 32,272    |
|   |       | <hr/>     |
|   |       | 8,354,916 |
| <hr/>   |       |           |
| <b>Automobiles 0.2%</b>   |       |           |
| Ford Motor Co. Term Loan, 5.47%, 12/16/13   | 474   | 367,367   |
| General Motors Corp. Secured Term Loan,<br>5.163%, 11/29/13                             | 374   | 276,154   |
|   |       | <hr/>     |
|   |       | 643,521   |
| <hr/>   |       |           |
| <b>Biotechnology 0.4%</b>   |       |           |
| Talecris Biotherapeutics, Holdings Corp. First Lien Term<br>Loan, 5.97% 6.31%, 12/06/13 | 992   | 960,189   |
| <hr/>   |       |           |
| <b>Building Products 1.5%</b>   |       |           |
| Building Material Corp. of America Term Loan<br>Advance, 5.438% 5.563%, 2/24/14         | 1,999 | 1,715,047 |
| Masonite International:   |       |           |
| Term Loan, 4.63% 5.046%, 4/06/13  | 1,476 | 1,257,081 |
| Term Loan B, 4.63% 5.046%, 4/06/13  | 1,456 | 1,240,077 |
|   |       | <hr/>     |
|   |       | 4,212,205 |
| <hr/>   |       |           |
| <b>Chemicals 5.1%</b>   |       |           |
| Huish Detergents, Inc. Tranche Term Loan B,<br>4.81%, 4/28/14                           | 990   | 896,775   |
| ISP Chemco LLC Term Loan, 4% 4.313%, 6/04/14  | 990   | 913,275   |
| Ineos Group Plc:  |       |           |
| Term B-2 Facility, 4.885%, 12/16/13   | 265   | 223,925   |
| Term C-2 Facility, 5.385%, 12/15/14   | 265   | 223,925   |

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|   |       |            |
|---|-------|------------|
| PQ Corp. (Niagara Acquisition, Inc.) First Lien Term Loan, 5.92% 6.05%, 7/30/14 | 5,000 | 4,678,125  |
| Rockwood Specialties Group, Inc. Tranche E Term Loan, 4.299%, 7/30/12           | 1,544 | 1,479,482  |
| Solutia, Inc. Term Loan, 8.50%, 2/28/14   | 1,500 | 1,445,157  |
| Wellman, Inc. First Lien Term Loan, 7.239%, 2/10/09 (b)(c)                      | 8,000 | 4,000,000  |
|   |       | <hr/>      |
|   |       | 13,860,664 |
|   |       | <hr/>      |

| <b>Floating Rate Loan Interests</b> | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------|----------------------|--------------|
|-------------------------------------|----------------------|--------------|

**Commercial Services & Supplies 3.0%**

|  |        |           |
|--|--------|-----------|
| ARAMARK Corp.:   |        |           |
| Line of Credit Facility Letter of Credit, 2.44%, 1/27/14 | \$ 263 | \$249,440 |
| U.S. Term Loan, 4.676%, 1/26/14                          | 4,146  | 3,926,356 |
| John Maneely Co. Term Loan, 6.042% 6.048%, 12/09/13      | 1,117  | 1,096,845 |
| NES Rentals Holdings, Inc. Term Loan C, 9.50%, 7/20/13   | 1,726  | 1,311,541 |
| West Corp. Term Loan B-2, 4.844% 5.171%, 10/24/13        | 1,970  | 1,728,423 |
|  |        | <hr/>     |
|  |        | 8,312,605 |
|  |        | <hr/>     |

**Computers & Peripherals 0.7%**

|  |       |           |
|--|-------|-----------|
| Intergraph Corp. First Lien Initial Term Loan, 4.809%, 5/29/14   | 419   | 397,756   |
| Reynolds and Reynolds Co. First Lien Term Loan, 4.801%, 10/31/12 | 1,689 | 1,562,686 |
|  |       | <hr/>     |
|  |       | 1,960,442 |
|  |       | <hr/>     |

**Construction & Engineering 0.2%**

|   |     |         |
|---|-----|---------|
| Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.) Letter of Credit, 2.688%, 2/07/14 | 500 | 457,500 |
|   |     | <hr/>   |

**Construction Materials 0.3%**

|   |     |         |
|---|-----|---------|
| Headwaters, Inc. Term Loan B-1 (First Lien), 6.97%, 4/30/11 | 781 | 746,094 |
|   |     | <hr/>   |

**Containers & Packaging 0.7%**

|   |       |           |
|---|-------|-----------|
| Graham Packaging Co. L New Term Loan, 4.938% 5.063%, 10/07/11 | 1,975 | 1,876,558 |
|   |       | <hr/>     |

**Distributors 0.4%**

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|   |  |       |           |
|---|--|-------|-----------|
| Keystone Automotive Operations, Inc. Term Loan,<br>5.963% 5.972%, 1/12/12               |  | 1,434 | 1,003,542 |
| <hr/>   |  |       |           |
| <b>Diversified Consumer Services 0.7%</b>   |  |       |           |
| Coinmach Corp. Term Loan, 5.48% 5.81%, 11/14/14   |  | 1,994 | 1,832,895 |
| <hr/>   |  |       |           |
| <b>Diversified Financial Services 1.9%</b>  |  |       |           |
| DaimlerChrysler Financial Services America, LLC First<br>Lien Term Loan, 6.78%, 8/03/12 |  | 3,482 | 2,759,122 |
| J.G. Wentworth, LLC First Lien Term Loan,<br>5.051%, 4/04/14                            |  | 3,200 | 2,464,000 |
| <hr/>   |  |       |           |
|   |  |       | 5,223,122 |
| <hr/>   |  |       |           |
| <b>Diversified Telecommunication Services 0.9%</b>                                      |  |       |           |
| Winstar Communications Debtor In Possession,<br>6.366%, 12/31/06 (b)(c)                 |  | 1,703 | 2,579,351 |
| <hr/>   |  |       |           |
| <b>Electrical Equipment 0.3%</b>  |  |       |           |
| Generac Acquisition Corp. First Lien Term Loan,<br>5.288%, 11/11/13                     |  | 1,059 | 818,304   |
| <hr/>   |  |       |           |
| <b>Energy Equipment &amp; Services 1.2%</b>   |  |       |           |
| Dresser, Inc.:  |  |       |           |
| Second Lien Term Loan, 8.557%, 5/04/15  |  | 1,000 | 960,000   |
| Term Loan B, 4.716% 5.057%, 5/04/14   |  | 1,456 | 1,388,532 |
| MEG Energy Corp.:   |  |       |           |
| Delayed Draw Term Loan, 4.80%, 4/03/13  |  | 498   | 475,502   |
| Initial Term Loan, 4.80%, 4/03/13   |  | 489   | 466,604   |
| <hr/>   |  |       |           |
|   |  |       | 3,290,638 |
| <hr/>   |  |       |           |
| <b>Food &amp; Staples Retailing 0.4%</b>  |  |       |           |
| Bolthouse Farms, Inc. Second Lien Term Loan,<br>8.301%, 12/16/13                        |  | 750   | 697,500   |
| McJunkin Corp. Term Loan, 6.051%, 1/31/14   |  | 493   | 484,292   |
| <hr/>   |  |       |           |
|   |  |       | 1,181,792 |
| <hr/>   |  |       |           |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Senior High Income Fund, Inc.

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(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests  | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Food Products 2.7%</b>   |              |              |
| Dole Food Co., Inc.:  |              |              |
| Credit-Linked Deposit, 2.658%, 4/12/13  | \$ 1,151     | \$ 1,056,221 |
| Tranche Term Loan B, 4.50% 6%, 4/12/13  | 429          | 393,648      |
| Tranche Term Loan C, 4.50% 6%, 4/04/13  | 2,746        | 2,520,658    |
| Eight O Clock Coffee Term Loan,<br>5.25%, 7/31/12                             | 907          | 870,348      |
| Jetro Holdings, Inc. Term Loan, 5.05%, 5/11/14                                | 969          | 915,469      |
| Sturm Foods, Inc. First Lien Initial Term Loan,<br>5.25% 5.375%, 1/31/14 (d)  | 247          | 201,203      |
| Wrigley Co. Term Loan B, 6.402%, 8/11/14                                      | 1,400        | 1,405,501    |
|   |              | 7,363,048    |
| <b>Health Care Equipment &amp; Supplies 1.1%</b>                              |              |              |
| Biomet, Inc. Dollar Term Loan, 5.801%, 3/25/15                                | 1,985        | 1,944,059    |
| DJO Finance LLC Term Loan,<br>5.469% 5.801%, 5/20/14                          | 995          | 970,125      |
|   |              | 2,914,184    |
| <b>Health Care Providers &amp; Services 1.0%</b>                              |              |              |
| Community Health Systems, Inc. Funded<br>Term Loan, 4.719% 5.06%, 7/15/14     | 2,348        | 2,218,719    |
| Sterigenics International, Inc. Tranche Term Loan B,<br>5.03% 5.39%, 11/21/13 | 486          | 444,761      |
|   |              | 2,663,480    |
| <b>Hotels, Restaurants &amp; Leisure 4.3%</b>                                 |              |              |
| Cedar Fair LP Term Loan B, 4.469%, 8/30/12                                    | 2,940        | 2,777,074    |
| Greenwood Racing, Inc. Term Loan, 4.72%, 11/28/11                             | 739          | 694,425      |
| Harrah s Operating Co., Inc. Term Loan B-2,<br>5.80% 5.801%, 1/28/15          | 998          | 873,685      |
| Las Vegas Sands LLC:  |              |              |
| Delay Draw Term Loan, 4.56%, 5/23/14  | 300          | 255,273      |
| Tranche Term Loan B, 4.56%, 5/23/14   | 1,188        | 1,010,880    |
| OSI Restaurant Partners, Inc. Term Loan B,<br>5.125%, 5/15/14                 | 1,196        | 911,981      |
| QCE LLC First Lien Term Loan, 4.813%, 5/05/13                                 | 980          | 826,466      |
| VML US Finance LLC (Venetian Macau):  |              |              |
| Delay Draw Term Loan, 5.06%, 5/25/12  | 1,500        | 1,452,500    |
| Funded Project Loan, 5.06%, 5/27/13   | 3,000        | 2,904,999    |
|   |              | 11,707,283   |

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**IT Services 5.2%**

|   |       |            |
|---|-------|------------|
| Activant Solutions Inc. Term Loan,<br>4.688% 4.813%, 5/02/13  | 1,638 | 1,417,198  |
| Audio Visual Services Group, Inc.:                            |       |            |
| Second Lien Term Loan, 8.31%, 8/28/14                         | 500   | 440,000    |
| Tranche Term Loan B, 5.06%, 2/28/14                           | 1,985 | 1,687,250  |
| Ceridian Corp. U.S. Term Loan, 5.464%, 11/09/14               | 1,500 | 1,410,000  |
| First Data Corp.:   |       |            |
| Initial Term Loan B-2, 5.222% 5.552%,<br>9/24/14              | 1,990 | 1,824,236  |
| Initial Tranche B-3, 5.551% 5.552%,<br>9/24/14                | 995   | 911,796    |
| RedPrairie Corp. Term Loan:                                   |       |            |
| 5.50% 7%, 7/20/12   | 689   | 647,384    |
| 5.75%, 7/20/12  | 296   | 254,130    |
| SunGard Data Systems, Inc. U.S. Term Loan,<br>4.553%, 2/28/14 | 5,951 | 5,584,956  |
|   |       | 14,176,950 |

| Floating Rate Loan Interests | Par<br>(000) | Value |
|------------------------------|--------------|-------|
|------------------------------|--------------|-------|

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

|   |        |            |
|---|--------|------------|
| Texas Competitive Electric Holdings Co., LLC (TXU): |        |            |
| Term Loan B-2, 5.963% 6.303%, 10/10/29              | \$ 993 | \$ 924,954 |
| Term Loan B-3, 5.963% 6.303%, 10/10/14              | 1,985  | 1,846,050  |
|   |        | 2,771,004  |

**Insurance 0.2%**

|   |     |         |
|---|-----|---------|
| Alliant Holdings I, Inc. Term Loan, 5.801%, 8/21/14 | 496 | 456,550 |
|---|-----|---------|

**Internet & Catalog Retail 0.3%**

|   |     |         |
|---|-----|---------|
| FTD Group, Inc. Tranche Term Loan B, 7.50%, 8/04/14 | 750 | 727,500 |
|---|-----|---------|

**Leisure Equipment & Products 0.6%**

|                                      |       |           |
|--------------------------------------|-------|-----------|
| Fender Musical Instruments Corp.:    |       |           |
| Delay Draw Term Loan, 5.06%, 6/09/14 | 667   | 583,820   |
| Initial Loan, 5.05% 5.17%, 6/09/14   | 1,321 | 1,155,964 |
|                                      |       | 1,739,784 |

**Machinery 2.6%**

|  |     |         |
|--|-----|---------|
| Harrington Holdings, Inc. First Lien Term Loan,<br>4.719%, 1/11/14 | 988 | 915,906 |
| Lincoln Industrials Second Lien Term Loan,                         |     |         |

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|  |       |            |
|--|-------|------------|
| 8.22%, 12/18/14  | 1,000 | 910,000    |
| Navistar International Corp.:                          |       |            |
| Revolving Credit, 5.739% 6.046%, 1/19/12               | 1,067 | 982,667    |
| Term Advance, 6.046% 6.292%, 1/19/12                   | 2,933 | 2,702,333  |
| OshKosh Truck Corp. Term Loan B,                       |       |            |
| 4.22% 4.43%, 12/06/13                                  | 1,865 | 1,696,372  |
|  |       | 7,207,278  |
| <hr/>  |       |            |
| <b>Media 16.7%</b>                                     |       |            |
| Affinion Group Holdings, Inc. Term Loan, 9.368%,       |       |            |
| 3/01/12  | 2,000 | 1,677,500  |
| Cequel Communications LLC (Cebridge):                  |       |            |
| Second Lien Term Loan,                                 |       |            |
| 8.801% 8.804%, 5/04/14                                 | 5,011 | 4,389,296  |
| Term Loan 1, 4.79% 6%, 11/05/13                        | 1,631 | 1,522,223  |
| Charter Communications Operating LLC Replacement       |       |            |
| Term Loan, 4.67% 4.80%, 3/06/14                        | 5,970 | 5,214,628  |
| ClientLogic Holding Corp. Term Loan B,                 |       |            |
| 4.962% 5.356%, 1/30/14                                 | 968   | 751,762    |
| Education Media and Publishing:                        |       |            |
| First Lien Term Loan B, 6.464%, 11/14/14               | 2,636 | 2,366,136  |
| Term Loan B, 6.464%, 11/14/14                          | 2,000 | 1,795,000  |
| Ellis Communications Term Loan, 10%, 12/30/11          | 3,895 | 3,116,296  |
| GateHouse Media Operating, Inc.:                       |       |            |
| Delay Draw Term Loan, 4.80% 4.81%, 8/28/14             | 389   | 208,768    |
| Initial Term Loan B, 4.81%, 8/28/14                    | 917   | 493,098    |
| Getty Images, Inc. Initial Term Loan, 7.25%, 7/02/15   | 500   | 499,219    |
| Hanley-Wood LLC Term Loan,                             |       |            |
| 4.711% 4.717%, 3/08/14                                 | 995   | 772,369    |
| Insight Midwest Holdings, LLC Term Loan B,             |       |            |
| 4.47%, 4/07/14   | 3,375 | 3,241,056  |
| Knology, Inc. Term Loan, 5.038%, 6/30/12               | 743   | 683,100    |
| Mediacom Illinois, LLC (Mediacom Communications, LLC): |       |            |
| Term Loan C, 4.22% 4.23%, 1/31/15                      | 2,529 | 2,334,888  |
| Term Loan D, 4.22% 4.23%, 1/31/15                      | 1,968 | 1,815,187  |
| Newsday LLC Term Loan, 9.75%, 8/01/13                  | 3,500 | 3,493,438  |
| Nielsen Finance LLC Dollar Term Loan, 4.803%,          |       |            |
| 8/19/13  | 3,439 | 3,176,028  |
| Penton Media, Inc. Second Lien Term Loan, 7.799%,      |       |            |
| 2/01/14  | 741   | 561,023    |
| Thomson Learning, Inc.:                                |       |            |
| Term Loan, 4.97%, 6/30/14                              | 1,489 | 1,292,887  |
| Term Loan B-2, 7.50%, 7/05/14                          | 6,250 | 6,187,500  |
|  |       | 45,591,402 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

### BlackRock Senior High Income Fund, Inc.

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests  | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Metals &amp; Mining 0.7%</b>   |              |             |
| Euramax International Plc:  |              |             |
| First Lien Term Loan, 8%, 6/29/12   | \$ 1,624     | \$1,309,922 |
| Second Lien Term Loan, 10.791%, 6/29/13   | 1,000        | 665,000     |
|   |              | 1,974,922   |
| <b>Multiline Retail 1.0%</b>  |              |             |
| Neiman Marcus Group, Inc. Term Loan,<br>4.422%, 4/06/13                             |              |             |
|   | 3,000        | 2,783,181   |
| <b>Oil, Gas &amp; Consumable Fuels 1.7%</b>   |              |             |
| Big West Oil & Gas:   |              |             |
| Delay Advanced Term Loan, 4.471%<br>4.68%, 5/15/14                                  | 550          | 484,000     |
| Initial Advance Term Loan, 4.68%, 5/15/14   | 440          | 387,200     |
| Petroleum Geo-Services ASA Term Loan,<br>4.55%, 6/28/15                             | 954          | 923,542     |
| Scorpion Drilling Ltd. Second Lien Term Loan,<br>9.969%, 5/05/15                    | 2,000        | 2,020,000   |
| Western Refining Inc. Term Loan, 7.75%, 5/30/14                                     | 919          | 792,501     |
|   |              | 4,607,243   |
| <b>Paper &amp; Forest Products 0.4%</b>   |              |             |
| Boise Paper Holdings LLC (Aldabra Sub LLC) Second Lien<br>Term Loan, 7.50%, 2/24/15 |              |             |
|   | 997          | 993,047     |
| <b>Pharmaceuticals 0.9%</b>   |              |             |
| Pharmaceutical Technologies & Services (PTS) Term<br>Loan, 5.051%, 4/15/14          |              |             |
|   | 2,970        | 2,591,325   |
| <b>Real Estate 0.9%</b>   |              |             |
| Realogy Corp. Letter of Credit, 2.44%, 10/10/13                                     |              |             |
|   | 2,970        | 2,451,488   |
| <b>Real Estate Management &amp; Development 1.2%</b>                                |              |             |

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|  |       |             |
|--|-------|-------------|
| LNR Property Corp. Term Loan B, 6.04%, 7/12/11                             | 4,400 | 3,395,335   |
| <hr/>  |       |             |
| <b>Road &amp; Rail 0.5%</b>  |       |             |
| Rail America, Inc.:  |       |             |
| Canadian Term Loan, 6.79%, 8/14/09   | 560   | 557,996     |
| U.S. Term Loan, 6.79%, 8/14/09   | 939   | 934,504     |
|  |       | <hr/>       |
|  |       | 1,492,500   |
| <hr/>  |       |             |
| <b>Specialty Retail 1.0%</b>   |       |             |
| ADESA, Inc. (KAR Holdings, Inc.) Initial Term Loan B,<br>5.06%, 10/21/13   | 1,966 | 1,748,558   |
| Burlington Coat Factory Warehouse Corp. Term Loan,<br>5.06%, 5/28/13       | 494   | 382,177     |
| Claire's Stores Inc. Term Loan B,<br>5.219% 5.56%, 5/29/14                 | 741   | 494,905     |
|  |       | <hr/>       |
|  |       | 2,625,640   |
| <hr/>  |       |             |
| <b>Wireless Telecommunication Services 1.5%</b>                            |       |             |
| Centennial Cellular Operating Co. New Term Loan,<br>4.469% 4.801%, 2/09/11 | 2,750 | 2,690,416   |
| IPC Systems Inc. Tranche Term Loan B1, 5.051%,<br>6/02/14                  | 990   | 742,500     |
| NG Wireless:   |       |             |
| Delay Draw Term Loan, 5.219%, 7/31/14                                      | 140   | 133,356     |
| Term Loan, 5.219% 5.551%, 7/31/14  | 610   | 579,144     |
|  |       | <hr/>       |
|  |       | 4,145,416   |
| <hr/>  |       |             |
| <b>Total Floating Rate Loan Interests 68.9%</b>                            |       | 188,321,772 |
| <hr/>  |       |             |

| <b>Corporate Bonds</b>              | <b>Par<br/>(000)</b> | <b>Value</b> |
|-------------------------------------|----------------------|--------------|
| <hr/>                               |                      |              |
| <b>Aerospace &amp; Defense 1.8%</b> |                      |              |
| Moog, Inc., 7.25%, 6/15/18 (e)      | \$ 5,000             | \$ 4,900,000 |
| <hr/>                               |                      |              |
| <b>Auto Components 2.2%</b>         |                      |              |
| The Goodyear Tire & Rubber Co.:     |                      |              |
| 6.678%, 12/01/09 (f)                | 5,070                | 5,070,000    |
| 8.625%, 12/01/11                    | 1                    | 1,030        |
| Lear Corp., 8.75%, 12/01/16         | 1,015                | 763,787      |
| Metaldyne Corp., 11%, 6/15/12       | 1,075                | 166,625      |
| Venture Holdings Co. LLC (a)(b)(c): |                      |              |
| 12%, 6/01/09                        | 700                  |              |
| Series B, 9.50%, 7/01/05            | 3,325                | 333          |
|                                     |                      | <hr/>        |

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|  |       |            |
|--|-------|------------|
|  |       | 6,001,775  |
| <hr/>  |       |            |
| <b>Building Products 2.3%</b>                      |       |            |
| CPG International I, Inc.:                         |       |            |
| 9.904%, 7/01/12 (f)                                | 3,500 | 2,660,000  |
| 10.50%, 7/01/13                                    | 1,500 | 1,155,000  |
| Momentive Performance Materials, Inc. Series WI,   |       |            |
| 9.75%, 12/01/14                                    | 800   | 722,000    |
| Ply Gem Industries, Inc., 11.75%, 6/15/13 (e)      | 2,005 | 1,824,550  |
|  |       | <hr/>      |
|  |       | 6,361,550  |
| <hr/>  |       |            |
| <b>Chemicals 4.4%</b>                              |       |            |
| American Pacific Corp., 9%, 2/01/15                | 610   | 591,700    |
| ArCo Chemical Co., 9.80%, 2/01/20                  | 1,350 | 978,750    |
| GEO Specialty Chemicals Corp. (g):                 |       |            |
| 11.283%, 12/31/09                                  | 2,873 | 2,151,159  |
| 7.50%, 3/31/15 (a)(d)(e)                           | 1,722 | 1,289,374  |
| Hanna (M.A.) Co., 6.89%, 9/22/08                   | 1,000 | 1,000,000  |
| Hexion U.S. Finance Corp., 7.304%, 11/15/14 (f)    | 3,500 | 2,668,750  |
| NOVA Chemicals Corp., 5.953%, 11/15/13 (f)         | 3,845 | 3,306,700  |
|  |       | <hr/>      |
|  |       | 11,986,433 |
| <hr/>  |       |            |
| <b>Commercial Banks 0.2%</b>                       |       |            |
| Investcorp SA, 7.54%, 10/21/08                     | 500   | 500,069    |
| <hr/>  |       |            |
| <b>Construction Materials 1.2%</b>                 |       |            |
| Nortek Holdings, Inc., 10%, 12/01/13 (e)           | 3,420 | 3,197,700  |
| <hr/>  |       |            |
| <b>Containers &amp; Packaging 5.2%</b>             |       |            |
| Berry Plastics Holding Corp., 6.651%, 9/15/14 (f)  | 100   | 75,000     |
| Clondalkin Acquisition BV, 4.776%, 12/15/13 (e)(f) | 3,500 | 2,905,000  |
| Graphic Packaging International Corp.,             |       |            |
| 9.50%, 8/15/13                                     | 215   | 202,100    |
| Packaging Dynamics Finance Corp., 10%,             |       |            |
| 5/01/16 (e)  | 4,285 | 2,892,375  |
| Smurfit Kappa Funding Plc, 7.75%, 4/01/15          | 5,150 | 4,532,000  |
| Smurfit-Stone Container Enterprises, Inc.:         |       |            |
| 8.375%, 7/01/12                                    | 800   | 702,000    |
| 8%, 3/15/17  | 1,300 | 1,040,000  |
| Wise Metals Group LLC, 10.25%, 5/15/12             | 2,000 | 1,765,000  |
|  |       | <hr/>      |
|  |       | 14,113,475 |
| <hr/>  |       |            |
| <b>Diversified Financial Services 1.6%</b>         |       |            |
| Ford Motor Credit Co. LLC, 5.47%, 1/13/12 (f)      | 1,340 | 989,329    |
| Highland Legacy Ltd., 9.051%, 6/01/11 (e)(f)       | 4,000 | 3,330,000  |
|  |       | <hr/>      |
|  |       | 4,319,329  |

|  |       |           |
|--|-------|-----------|
| <b>Diversified Telecommunication Services 0.3%</b> |       |           |
| Qwest Corp., 6.026%, 6/15/13 (f)                   | 1,025 | 948,125   |
| <b>Electric Utilities 0.9%</b>                     |       |           |
| NSG Holdings LLC, 7.75%, 12/15/25 (e)              | 2,620 | 2,515,200 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

### BlackRock Senior High Income Fund, Inc.

(Percentages shown are based on Net Assets)

| Corporate Bonds  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Electronic Equipment &amp; Instruments 1.9%</b>           |              |              |
| Communications & Power Industries, Inc.,<br>8%, 2/01/12      | \$ 3,000     | \$ 2,895,000 |
| NXP BV, 5.541%, 10/15/13 (f)                                 | 3,125        | 2,429,688    |
|  |              | 5,324,688    |
| <b>Health Care Equipment &amp; Supplies 0.8%</b>             |              |              |
| Biomet, Inc.:  |              |              |
| 10%, 10/15/17  | 600          | 648,000      |
| 10.375%, 10/15/17 (d)  | 600          | 633,000      |
| 11.625%, 10/15/17  | 800          | 841,000      |
|  |              | 2,122,000    |
| <b>Health Care Providers &amp; Services 0.4%</b>             |              |              |
| Community Health Systems, Inc., Series WI,<br>8.87%, 7/15/15 | 990          | 999,900      |
| <b>Hotels, Restaurants &amp; Leisure 6.6%</b>                |              |              |
| American Real Estate Partners LP, 7.125%, 2/15/13            | 3,000        | 2,621,250    |
| CCM Merger, Inc., 8%, 8/01/13 (e)                            | 4,125        | 3,320,625    |
| Harrah's Operating Co., Inc. (e):                            |              |              |
| 10.75%, 2/01/16  | 6,916        | 4,651,010    |
| 10.75%, 2/01/18 (d)  | 2,130        | 1,257,870    |

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|  |              |              |
|--|--------------|--------------|
| Little Traverse Bay Bands of Odawa Indians, 10.25%,<br>2/15/14 (e)   | 1,210        | 1,007,325    |
| Shingle Springs Tribal Gaming Authority, 9.375%,<br>6/15/15 (e)      | 690          | 560,625      |
| Snoqualmie Entertainment Authority, 6.875%,<br>2/01/14 (e)(f)        | 500          | 366,250      |
| Station Casinos, Inc., 7.75%, 8/15/16                                | 1,000        | 675,000      |
| Tropicana Entertainment LLC Series WI, 9.625%,<br>12/15/14 (b)(c)    | 220          | 70,400       |
| Tunica-Biloxi Gaming Authority, 9%, 11/15/15 (e)                     | 1,500        | 1,421,250    |
| Universal City Florida Holding Co. I, 7.551%,<br>5/01/10 (f)         | 2,050        | 1,983,375    |
|  |              | 17,934,980   |
| <hr/>  |              |              |
| <b>Household Durables 0.3%</b>                                       |              |              |
| Jarden Corp., 7.50%, 5/01/17   | 970          | 863,300      |
| <hr/>  |              |              |
| <b>IT Services 0.9%</b>  |              |              |
| First Data Corp., 9.875%, 9/24/15 (e)                                | 3,000        | 2,587,500    |
| <hr/>  |              |              |
| <b>Independent Power Producers &amp; Energy Traders 2.1%</b>         |              |              |
| Energy Future Holding Corp., 11.25%,<br>11/01/17 (d)(e)              | 1,500        | 1,477,500    |
| Texas Competitive Electric Holdings Co. LLC (e):<br>10.25%, 11/01/15 | 3,220        | 3,211,950    |
| 10.50%, 11/01/16 (d)   | 1,200        | 1,146,000    |
|  |              | 5,835,450    |
| <hr/>  |              |              |
| <b>Industrial Conglomerates 1.8%</b>                                 |              |              |
| Sequa Corp. (e):<br>11.75%, 12/01/15                                 | 2,550        | 2,244,000    |
| 13.50%, 12/01/15 (d)   | 3,359        | 2,736,917    |
|  |              | 4,980,917    |
| <hr/>  |              |              |
| <b>Insurance 1.1%</b>  |              |              |
| American International Group, Inc., 8.25%,<br>8/15/18 (e)            | 3,000        | 2,957,463    |
| <hr/>  |              |              |
|  | <b>Par</b>   | <b>Value</b> |
| <b>Corporate Bonds</b>   | <b>(000)</b> |              |
| <hr/>  |              |              |
| <b>Machinery 1.7%</b>  |              |              |
| Ahern Rentals, Inc., 9.25%, 8/15/13                                  | \$ 2,700     | \$ 1,741,500 |
| ESCO Corp., 6.651%, 12/15/13 (e)(f)                                  | 1,540        | 1,447,600    |
| RBS Global, Inc., 8.875%, 9/01/16                                    | 835          | 778,637      |

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|  |       |            |
|--|-------|------------|
| Titan International, Inc., 8%, 1/15/12                       | 770   | 762,300    |
|  |       | <hr/>      |
|  |       | 4,730,037  |
| <hr/>  | <hr/> | <hr/>      |
| <b>Marine 0.1%</b>   |       |            |
| Navios Maritime Holdings, Inc., 9.50%, 12/15/14              | 324   | 309,420    |
| <hr/>  | <hr/> | <hr/>      |
| <b>Media 4.8%</b>  |       |            |
| Affinion Group, Inc., 10.125%, 10/15/13                      | 515   | 507,275    |
| Charter Communications Holdings LLC:                         |       |            |
| 10%, 4/01/09   | 1,750 | 1,662,500  |
| 11.125%, 1/15/11   | 1,319 | 804,590    |
| 10%, 5/15/11   | 660   | 435,600    |
| Mediacom LLC, 9.50%, 1/15/13                                 | 1,875 | 1,814,063  |
| Nielsen Finance LLC, 10%, 8/01/14                            | 1,860 | 1,883,250  |
| Rainbow National Services LLC, 8.75%,<br>9/01/12 (e)         | 5,250 | 5,355,000  |
| Windstream Regatta Holdings, Inc., 11%,<br>12/01/17 (e)      | 1,244 | 721,520    |
|  |       | <hr/>      |
|  |       | 13,183,798 |
| <hr/>  | <hr/> | <hr/>      |
| <b>Metals &amp; Mining 4.2%</b>                              |       |            |
| Aleris International, Inc., 9%, 12/15/14 (d)                 | 840   | 655,200    |
| Freeport-McMoRan Copper & Gold, Inc., 5.883%,<br>4/01/15 (f) | 5,430 | 5,444,335  |
| RathGibson, Inc., 11.25%, 2/15/14                            | 2,175 | 2,093,437  |
| Ryerson, Inc., 10.176%, 11/01/14 (e)(f)                      | 3,360 | 3,208,800  |
|  |       | <hr/>      |
|  |       | 11,401,772 |
| <hr/>  | <hr/> | <hr/>      |
| <b>Oil, Gas &amp; Consumable Fuels 3.7%</b>                  |       |            |
| Chaparral Energy, Inc., 8.50%, 12/01/15                      | 730   | 635,100    |
| Compton Petroleum Finance Corp.,<br>7.625%, 12/01/13         | 1,475 | 1,384,656  |
| Peabody Energy Corp., 7.375%, 11/01/16                       | 4,530 | 4,665,900  |
| Sabine Pass LNG LP, 7.50%, 11/30/16                          | 2,985 | 2,611,875  |
| SandRidge Energy, Inc., 6.416%, 4/01/14 (e)(f)               | 1,000 | 937,821    |
|  |       | <hr/>      |
|  |       | 10,235,352 |
| <hr/>  | <hr/> | <hr/>      |
| <b>Paper &amp; Forest Products 7.1%</b>                      |       |            |
| Abitibi-Consolidated, Inc., 6.276%, 6/15/11 (f)              | 2,755 | 1,260,412  |
| Ainsworth Lumber Co. Ltd., 11%, 7/29/15 (e)                  | 3,096 | 2,485,212  |
| Bowater, Inc., 5.776%, 3/15/10 (f)                           | 7,400 | 6,068,000  |
| Domtar Corp., 7.125%, 8/15/15                                | 1,775 | 1,712,875  |
| NewPage Corp., 9.051%, 5/01/12 (f)                           | 5,175 | 4,851,562  |
| Verso Paper Holdings LLC Series B, 6.551%,<br>8/01/14 (f)    | 3,300 | 2,937,000  |
|  |       | <hr/>      |

19,315,061

**Pharmaceuticals 2.2%**

|   |       |           |
|---|-------|-----------|
| Angiotech Pharmaceuticals, Inc., 6.56%,<br>12/01/13 (f) | 2,690 | 2,380,650 |
| Elan Finance Plc:<br>6.804%, 11/15/11 (f)               | 2,325 | 2,144,812 |
| 7.75%, 11/15/11   | 1,650 | 1,526,250 |
|   |       | 6,051,712 |

**Real Estate Management & Development 0.7%**

|                                 |       |           |
|---------------------------------|-------|-----------|
| Realogy Corp., 11%, 4/15/14 (d) | 3,820 | 1,795,400 |
|---------------------------------|-------|-----------|

See Notes to Financial Statements.

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**Schedule of Investments (continued) BlackRock Senior High Income Fund, Inc.****(Percentages shown are based on Net Assets)**

| <b>Corporate Bonds</b>                                       | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
| <b>Road &amp; Rail 0.1%</b>                                  |                      |              |
| Swift Transportation Co., Inc., 10.554%,<br>5/15/15 (e)(f)   | \$ 650               | \$ 227,500   |
| <b>Semiconductors &amp; Semiconductor Equipment 1.0%</b>     |                      |              |
| Avago Technologies Finance Pte. Ltd., 8.311%,<br>6/01/13 (f) | 766                  | 766,000      |
| Freescale Semiconductor, Inc., 8.875%, 12/15/14              | 510                  | 413,100      |
| Spanion, Inc., 5.935%, 6/01/13 (e)(f)                        | 2,180                | 1,515,100    |
|  |                      | 2,694,200    |
| <b>Specialty Retail 0.6%</b>                                 |                      |              |
| Michaels Stores, Inc., 10%, 11/01/14                         | 1,055                | 791,250      |
| United Auto Group, Inc., 7.75%, 12/15/16                     | 915                  | 742,294      |
|  |                      | 1,533,544    |
| <b>Textiles, Apparel &amp; Luxury Goods 1.0%</b>             |                      |              |
| Quiksilver, Inc., 6.875%, 4/15/15                            | 3,525                | 2,828,812    |

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|   |                      |             |
|---|----------------------|-------------|
| <b>Wireless Telecommunication Services 0.8%</b>           |                      |             |
| iPCS, Inc., 4.926%, 5/01/13 (f)                           | 630                  | 559,125     |
| Nordic Telephone Co. Holdings ApS, 8.875%,<br>5/01/16 (e) | 1,200                | 1,155,000   |
| Orascom Telecom Finance SCA, 7.875%, 2/08/14 (e)          | 395                  | 361,899     |
|   |                      | 2,076,024   |
| <b>Total Corporate Bonds 64.0%</b>                        |                      | 174,832,486 |
| <b>Common Stocks</b>                                      |                      |             |
|   | <b>Shares</b>        |             |
| <b>Chemicals 0.0%</b>                                     |                      |             |
| GEO Specialty Chemicals, Inc. (a)(c)                      | 142,466              | 54,693      |
| <b>Containers &amp; Packaging 0.0%</b>                    |                      |             |
| Smurfit Kappa Plc   | 18,171               | 117,241     |
| <b>Hotels, Restaurants &amp; Leisure 0.2%</b>             |                      |             |
| Lodgian, Inc. (c)   | 41,866               | 354,186     |
| <b>Paper &amp; Forest Products 0.9%</b>                   |                      |             |
| Ainsworth Lumber Co. Ltd.                                 | 375,634              | 1,079,003   |
| Ainsworth Lumber Co. Ltd. (e)                             | 421,556              | 1,213,140   |
|   |                      | 2,292,143   |
| <b>Wireless Telecommunication Services 0.1%</b>           |                      |             |
| American Tower Corp. Class A (c)                          | 8,455                | 349,445     |
| <b>Total Common Stocks 1.2%</b>                           |                      | 3,167,708   |
| <b>Preferred Securities</b>                               |                      |             |
|   | <b>Par<br/>(000)</b> |             |
| <b>Capital Trusts</b>                                     |                      |             |
| <b>Diversified Financial Services 0.6%</b>                |                      |             |
| Citigroup, Inc., 8.40% (f)(h)                             | \$ 2,000             | 1,698,040   |
| <b>Total Capital Trusts 0.6%</b>                          |                      | 1,698,040   |

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| Other Interests (i)  | Beneficial<br>Interest<br>(000) | Value          |
|--|---------------------------------|----------------|
| <b>Auto Components 0.0%</b>  |                                 |                |
| Cambridge Industries, Inc. (Litigation Trust<br>Certificates) (a)  | \$ 4,131                        | \$ 41          |
| <b>Media 0.0%</b>  |                                 |                |
| Adelphia Preferred Escrow (a)                                      | 3                               |                |
| Adelphia Recovery Trust Series ACC-6B INT (a)                      | 250                             | 25             |
|  |                                 | 25             |
| <b>Total Other Interests 0.0%</b>                                  |                                 | 66             |
| <b>Total Long-Term Investments<br/>(Cost \$423,764,595) 134.7%</b> |                                 | 368,020,072    |
| <b>Short-Term Securities</b>                                       |                                 |                |
| BlackRock Liquidity Series, LLC Cash Sweep<br>Series, 2.41% (j)(k) | 1,947                           | 1,947,106      |
| <b>Total Short-Term Securities<br/>(Cost \$1,947,106) 0.7%</b>     |                                 | 1,947,106      |
| <b>Total Investments (Cost \$425,711,701*) 135.4%</b>              |                                 | 369,967,178    |
| <b>Liabilities in Excess of Other Assets (35.4)%</b>               |                                 | (96,718,967)   |
| <b>Net Assets 100.0%</b>   |                                 | \$ 273,248,211 |

\* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2008, as computed for federal income tax purposes, were as follows:

|                               |                 |
|-------------------------------|-----------------|
| Aggregate cost                | \$ 425,729,357  |
| Gross unrealized appreciation | \$ 4,619,285    |
| Gross unrealized depreciation | (60,381,464)    |
| Net unrealized depreciation   | \$ (55,762,179) |

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- (a) Security is fair valued.
- (b) Issuer filed for bankruptcy or is in default of interest payments.
- (c) Non-income producing security.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (f) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (g) Convertible security.
- (h) Security is perpetual in nature and has no stated maturity date.
- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate  | Net<br>Activity<br>(000) | Income   |
|--|--------------------------|----------|
| BlackRock Liquidity Series, LLC<br>Cash Sweep Series | \$1,947                  | \$41,351 |

(k) Represents the current yield as of report date.  
See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock Senior High Income Fund, Inc.

(Percentages shown are based on Net Assets)

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

Foreign currency exchange contracts as of August 31, 2008 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Settlement<br>Date | Unrealized<br>Depreciation |
|-----------------------|------------------|--------------------|----------------------------|
| USD 1,011,317         | CAD 1,075,000    | 10/23/08           | \$ (412)                   |

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Swaps outstanding as of August 31, 2008 were as follows:

|   | <b>Notional<br/>Amount<br/>(000)</b> | <b>Unrealized<br/>Appreciation<br/>(Depreciation)</b> |
|---|--------------------------------------|---|
| Sold credit default protection on Ford Motor Credit Co. and receive 2.05%<br>Broker, Deutsche Bank AG London<br>Expires March 2010  | \$ 5,000                             | \$(801,730)   |
| Bought credit default protection on Dow Jones CDX North America High Yield Index Series 10 Class V1 and pay 5%<br>Broker, Credit Suisse First Boston International<br>Expires June 2013 | \$ 4,000                             | 11,456  |
| Bought credit default protection on Dow Jones CDX North America High Yield Series 10 Index and pay 5%<br>Broker, Morgan Stanley Capital Services, Inc.<br>Expires June 2013             | \$ 1,100                             | 45,088  |
| Bought credit default protection on Dow Jones CDX North America High Yield Index Series 10 and receive 5%<br>Broker, Morgan Stanley Capital Services, Inc.<br>Expires June 2013         | \$ 3,300                             | 83,701  |
| <b>Total</b>  |                                      | <b>\$(661,485)</b>                                    |

Effective March 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are 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 circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

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

The following table summarizes the inputs used as of August 31, 2008 in determining the fair valuation of the Fund's investments:

| Valuation<br>Inputs | Investments in<br>Securities | Other Financial<br>Instruments* |
|---------------------|------------------------------|---------------------------------|
| Level 1             | \$ 1,782,634                 | \$ (412)                        |
| Level 2             | 347,056,473                  | (661,485)                       |
| Level 3             | 21,128,071                   |                                 |
| <b>Total</b>        | <b>\$369,967,178</b>         | <b>\$ (661,897)</b>             |

\* Other financial instruments are foreign currency exchange contracts and swaps.

The following is a reconciliation of investments for unobservable inputs (Level 3):

|  | Investments in<br>Securities |
|--|------------------------------|
| Balance, as of February 29, 2008                 | \$ 399                       |
| Realized gain (loss)                             | (376,266)                    |
| Change in unrealized appreciation (depreciation) | (11,489,591)                 |
| Net purchases (sales)                            | (161,306)                    |
| Net transfers in/out of Level 3                  | 33,154,835                   |
| Balance, as of August 31, 2008                   | \$21,128,071                 |

Currency Abbreviations:  
CAD Canadian Dollar  
USD U.S. Dollar

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

|                                    |  |  |
|------------------------------------|--|--|
| <b>August 31, 2008 (Unaudited)</b> | <b>BlackRock<br/>Floating Rate<br/>Income<br/>Strategies<br/>Fund II, Inc.</b> | <b>BlackRock<br/>Senior High<br/>Income<br/>Fund, Inc.</b> |
|------------------------------------|--|--|

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| <b>Assets</b>  |                       |                       |
|--|-----------------------|-----------------------|
| Investments at value unaffiliated <sup>1</sup>                 | \$ 221,920,164        | \$ 368,020,072        |
| Investments at value affiliated <sup>2</sup>                   | 1,790,059             | 1,947,106             |
| Unrealized appreciation on foreign currency exchange contracts | 565,732               |                       |
| Unrealized appreciation on swaps                               | 85,148                | 140,245               |
| Unrealized appreciation on unfunded loan commitments           |                       | 3,724                 |
| Cash   | 265,325               | 280,209               |
| Foreign currency at value <sup>3</sup>                         | 132,701               |                       |
| Cash collateral paid for swap contracts                        |                       | 600,000               |
| Interest receivable  | 3,134,543             | 5,388,280             |
| Investments sold receivable                                    | 1,040,601             | 833,234               |
| Swap premium paid  | 245,443               | 451,142               |
| Swaps receivable   | 39,057                | 51,496                |
| Dividends receivable   |                       | 856                   |
| Commitment fees receivable                                     | 21,626                | 255                   |
| Principle paydowns receivable                                  | 16,204                |                       |
| Prepaid expenses   | 11,124                | 19,475                |
| <b>Total assets</b>  | <b>229,267,727</b>    | <b>377,736,094</b>    |
| <b>Liabilities</b>   |                       |                       |
| Loan payable   | 56,000,000            | 99,500,000            |
| Unrealized depreciation on swaps                               | 1,027,940             | 801,730               |
| Unrealized depreciation on foreign currency exchange contracts |                       | 412                   |
| Investments purchased payable                                  | 2,713,406             | 3,581,550             |
| Dividends payable  | 114,602               | 189,174               |
| Investment advisory fees payable                               | 146,086               | 165,068               |
| Unrealized depreciation on unfunded corporate loans            | 100,442               |                       |
| Swaps payable  | 48,306                | 86,889                |
| Interest expense payable                                       | 42,086                | 74,672                |
| Deferred income  | 46,034                | 10,310                |
| Officers and Directors fees payable                            | 302                   | 689                   |
| Other accrued expenses payable                                 | 53,419                | 77,389                |
| Other liabilities  | 122,497               |                       |
| <b>Total liabilities</b>                                       | <b>60,415,120</b>     | <b>104,487,883</b>    |
| <b>Net Assets</b>  | <b>\$ 168,852,607</b> | <b>\$ 273,248,211</b> |

**Net Assets Consist of**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Par value \$0.10 per share, 200,000,000 shares authorized <sup>4</sup> | \$ 1,049,693          | \$ 5,644,768          |
| Paid-in capital in excess of par                                       | 199,119,933           | 479,438,008           |
| Undistributed (distributions in excess of) net investment income       | 1,684,475             | (1,296,285)           |
| Accumulated net realized loss  | (8,145,268)           | (154,135,529)         |
| Net unrealized appreciation/depreciation                               | (24,856,226)          | (56,402,751)          |
| <b>Net Assets</b>  | <b>\$ 168,852,607</b> | <b>\$ 273,248,211</b> |
| Net asset value  | \$ 16.09              | \$ 4.84               |
| <sup>1</sup> Investments at cost unaffiliated                          | \$ 246,263,819        | \$ 423,764,595        |
| <sup>2</sup> Investments at cost affiliated                            | \$ 1,790,059          | \$ 1,947,106          |
| <sup>3</sup> Foreign currency at cost                                  | \$ 134,491            |                       |
| <sup>4</sup> Shares outstanding  | 10,496,930            | 56,447,675            |

See Notes to Financial Statements.

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## Statements of Operations

| Six Months Ended August 31, 2008 (Unaudited) | BlackRock<br>Floating Rate<br>Income<br>Strategies<br>Fund II, Inc. | BlackRock<br>Senior High<br>Income<br>Fund, Inc. |
|--|---|--|
| <b>Investment Income</b>                     |   |  |
| Interest                                     | \$ 9,018,738  | \$ 15,534,539                                    |
| Income from affiliates                       | 36,575  | 41,351   |
| Dividends                                    |   | 4,553  |
| Facility and other fees                      | 154,173   | 76,003   |
| Total income                                 | 9,209,486   | 15,656,446                                       |

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**Expenses**

|   |           |            |
|---|-----------|------------|
| Investment advisory                       | 841,639   | 958,204    |
| Borrowing                                 | 85,894    | 141,145    |
| Professional                              | 42,141    | 60,127     |
| Accounting services                       | 14,040    | 27,621     |
| Printing                                  | 24,963    | 25,417     |
| Transfer agent                            | 4,033     | 20,407     |
| Officer and Directors                     | 9,141     | 14,524     |
| Custodian                                 | 10,446    | 12,756     |
| Registration                              | 4,440     | 9,147      |
| Miscellaneous                             | 15,881    | 23,601     |
| Total expenses excluding interest expense | 1,052,618 | 1,292,949  |
| Interest expense                          | 898,644   | 1,682,347  |
| Total expenses                            | 1,951,262 | 2,975,296  |
| Less fees paid indirectly                 | (1,581)   |            |
| Total expenses after fees paid indirectly | 1,949,681 | 2,975,296  |
| Net investment income                     | 7,259,805 | 12,681,150 |

**Realized and Unrealized Gain (Loss)**

|   |                     |                     |
|---|---------------------|---------------------|
| Net realized gain (loss) from:                              |                     |                     |
| Investments   | (5,247,572)         | (12,560,711)        |
| Swaps   | 26,531              | (70,412)            |
| Options written   | 120,000             | 240,000             |
| Foreign currency  | (350,779)           | (36)                |
|   | (5,451,820)         | (12,391,159)        |
| Net change in unrealized appreciation/depreciation on:      |                     |                     |
| Investments   | 5,981,494           | 2,809,632           |
| Unfunded corporate loans                                    | 42,394              | 135,135             |
| Swaps   | (414,093)           | (16,000)            |
| Foreign currency  | 650,593             | (467)               |
|   | 6,260,388           | 2,928,300           |
| Total realized and unrealized gain (loss)                   | 808,568             | (9,462,859)         |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 8,068,373</b> | <b>\$ 3,218,291</b> |

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|  | BlackRock<br>Floating Rate Income<br>Strategies Fund II, Inc. |                                    | BlackRock<br>Senior High Income Fund, Inc.         |                                    |
|--|---|------------------------------------|--|------------------------------------|
|  | Six Months Ended<br>August 31, 2008<br>(Unaudited)            | Year Ended<br>February 29,<br>2008 | Six Months Ended<br>August 31, 2008<br>(Unaudited) | Year Ended<br>February 29,<br>2008 |
| <b>Increase (Decrease) in Net Assets:</b>                                      |   |                                    |  |                                    |
| <b>Operations</b>  |   |                                    |  |                                    |
| Net investment income  | \$ 7,259,805  | \$ 16,240,951                      | \$ 12,681,150                                      | \$ 30,307,199                      |
| Net realized loss  | (5,451,820)   | (1,173,755)                        | (12,391,159)                                       | (1,736,040)                        |
| Net change in unrealized appreciation/depreciation                             | 6,260,388   | (33,099,303)                       | 2,928,300  | (60,505,240)                       |
| Net increase (decrease) in net assets resulting from operations                | 8,068,373   | (18,032,107)                       | 3,218,291  | (31,934,100)                       |
| <b>Dividends to Shareholders From</b>  |   |                                    |  |                                    |
| Net investment income  | (7,768,778)   | (15,779,101)                       | (14,732,193)                                       | (31,809,840)                       |
| <b>Capital Share Transactions</b>  |   |                                    |  |                                    |
| Reinvestment of dividends  |   |                                    | 70,154   | 986,870                            |
| <b>Net Assets</b>  |   |                                    |  |                                    |
| Total increase (decrease) in net assets  | 299,595   | (33,811,208)                       | (11,443,748)                                       | (62,757,070)                       |
| Beginning of period  | 168,553,012   | 202,364,220                        | 284,691,959  | 347,449,030                        |
| End of period  | \$ 168,852,607  | \$ 168,553,012                     | \$ 273,248,211                                     | \$ 284,691,960                     |
| End of period undistributed (distributions in excess of) net investment income | \$ 1,684,475  | \$ 2,193,448                       | \$ (1,296,285)                                     | \$ 754,750                         |

See Notes to Financial Statements.

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## Statements of Cash Flows

| Six Months Ended August 31, 2008 (Unaudited)  | BlackRock<br>Floating Rate<br>Income<br>Strategies<br>Fund II, Inc. | BlackRock<br>Senior High<br>Income<br>Fund, Inc. |
|---|---|--|
| <b>Cash Provided by Operating Activities</b>  |   |  |
| Net increase in net assets resulting from operations  | \$ 8,068,373  | \$ 3,218,291                                     |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |   |  |
| Decrease in receivables   | 379,011   | 1,196,257  |
| Decrease in prepaid expenses and other assets   | 11,652  | 3,100  |
| Increase (decrease) in other liabilities  | 87,705  | (12)   |
| Swap premium received   | (157,315)   | (235,973)  |
| Swap premium paid   | (245,443)   | (451,142)  |
| Net realized and unrealized gain (loss)   | (1,064,975)   | 9,410,380  |
| Amortization of premium and discount on investments   | (365,968)   | (326,572)  |
| Paid-in-kind income   | (210,420)   | (365,265)  |
| Premiums received from options written  | 120,000   | 240,000  |
| Proceeds from sales and paydowns of long-term investments   | 57,974,830  | 86,169,580                                       |
| Purchases of long-term investments  | (62,148,501)  | (92,283,303)                                     |
| Net purchase of short-term investments  | (1,790,059)   | (47,106)   |
| Net cash provided by operating activities   | 658,890   | 6,528,235  |

### Cash Used for Financing Activities

|  |              |              |
|--|--------------|--------------|
| Cash receipts from loans               | 56,000,000   | 97,000,000   |
| Cash payments on loans                 | (50,000,000) | (89,000,000) |
| Cash dividends paid                    | (7,773,627)  | (14,702,509) |
| Net cash used for financing activities | (1,773,627)  | (6,702,509)  |

### Cash Impact from Foreign Exchange Fluctuations

|  |         |  |
|--|---------|--|
| Cash impact from foreign exchange fluctuations | (1,790) |  |
|--|---------|--|

**Cash**

|                             |             |            |
|-----------------------------|-------------|------------|
| Net decrease in cash        | (1,116,527) | (174,274)  |
| Cash at beginning of period | 1,514,553   | 454,483    |
| Net cash at end of period   | \$ 398,026  | \$ 280,209 |

**Cash Flow Information**

|                        |            |              |
|------------------------|------------|--------------|
| Cash paid for interest | \$ 895,709 | \$ 1,678,865 |
|------------------------|------------|--------------|

**Non-Cash Financing Activities**

|                           |  |           |
|---------------------------|--|-----------|
| Reinvestment of dividends |  | \$ 70,154 |
|---------------------------|--|-----------|

See Notes to Financial Statements.

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**Financial Highlights**

**BlackRock Floating Rate Income Strategy II, Inc.**

|  | Six Months Ended<br>August 31, 2008<br>(Unaudited) | Year Ended<br>February 29,<br>2008 | Year Ended February |          | July<br>to Fe |
|--|--|------------------------------------|---------------------|----------|---------------|
|  |  |                                    | 28,<br>2007         | 2006     |               |
| <b>Per Share Operating Performance</b> |  |                                    |                     |          |               |
| Net asset value, beginning of period   | \$ 16.06   | \$ 19.28                           | \$ 19.39            | \$ 19.74 |               |
| Net investment income <sup>2</sup>     | 0.69   | 1.55                               | 1.55                | 1.33     |               |

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|  |          |          |          |          |
|--|----------|----------|----------|----------|
| Net realized and unrealized gain (loss)            | 0.08     | (3.27)   | (0.12)   | (0.31)   |
| Net increase (decrease) from investment operations | 0.77     | (1.72)   | 1.43     | 1.02     |
| Dividends and distributions from:                  |          |          |          |          |
| Net investment income                              | (0.74)   | (1.50)   | (1.54)   | (1.27)   |
| Net realized gain                                  |          |          |          | (0.10)   |
| Total dividends and distributions                  | (0.74)   | (1.50)   | (1.54)   | (1.37)   |
| Capital charges with respect to issuance of shares |          |          |          |          |
| Net asset value, end of period                     | \$ 16.09 | \$ 16.06 | \$ 19.28 | \$ 19.39 |
| Market price, end of period                        | \$ 14.44 | \$ 14.75 | \$ 18.50 | \$ 17.76 |

**Total Investment Return<sup>3</sup>**

|                          |                    |          |        |         |
|--------------------------|--------------------|----------|--------|---------|
| Based on net asset value | 5.25% <sup>4</sup> | (8.98)%  | 8.31%  | 6.07%   |
| Based on market price    | 2.84% <sup>4</sup> | (12.88)% | 13.47% | (1.35)% |

**Ratios to Average Net Assets**

|   |                    |       |       |       |
|---|--------------------|-------|-------|-------|
| Total expenses after waiver and fees paid indirectly and excluding interest expense | 1.22% <sup>5</sup> | 1.20% | 1.22% | 1.25% |
| Total expenses after waiver and fees paid indirectly                                | 2.27% <sup>5</sup> | 2.78% | 2.87% | 2.46% |
| Total expenses after waiver and before fees paid indirectly                         | 2.27% <sup>5</sup> | 2.78% | 2.87% | 2.46% |
| Total expenses  | 2.27% <sup>5</sup> | 2.78% | 2.87% | 2.46% |
| Net investment income   | 8.46% <sup>5</sup> | 8.39% | 8.03% | 6.88% |

**Supplemental Data**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Net assets, end of period (000)                  | \$ 168,853 | \$ 168,553 | \$ 202,364 | \$ 203,557 |
| Loan outstanding, end of period (000)            | \$ 56,000  | \$ 50,000  | \$ 47,000  | \$ 61,400  |
| Average loan outstanding during the period (000) | \$ 52,574  | \$ 55,269  | \$ 61,022  | \$ 63,725  |
| Portfolio turnover                               | 23%        | 65%        | 65%        | 72%        |

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|   |          |          |          |          |
|---|----------|----------|----------|----------|
| Asset coverage, end of period per \$1,000 | \$ 4,015 | \$ 4,371 | \$ 5,306 | \$ 4,315 |
|---|----------|----------|----------|----------|

- 1 Commencement of operations.
- 2 Based on average shares outstanding.
- 3 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 4 Aggregate total investment return.
- 5 Annualized.

See Notes to Financial Statements.

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## Financial Highlights

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

|  | Six Months                              |                                    | Year Ended February 28, |         |         | Year Ended           |
|--|---|------------------------------------|-------------------------|---------|---------|----------------------|
|  | Ended<br>August 31, 2008<br>(Unaudited) | Year Ended<br>February 29,<br>2008 | 2007                    | 2006    | 2005    | February 29,<br>2004 |
| <b>Per Share Operating Performance</b>             |   |                                    |                         |         |         |                      |
| Net asset value, beginning of period               | \$ 5.04                                 | \$ 6.17                            | \$ 6.00                 | \$ 6.28 | \$ 6.10 | \$ 4.82              |
| Net investment income <sup>1</sup>                 | 0.22                                    | 0.54                               | 0.57                    | 0.55    | 0.57    | 0.62                 |
| Net realized and unrealized gain (loss)            | (0.16)                                  | (1.11)                             | 0.16                    | (0.27)  | 0.16    | 1.30                 |
| Net increase (decrease) from investment operations | 0.06                                    | (0.57)                             | 0.73                    | 0.28    | 0.73    | 1.92                 |
| Dividends from net investment income               | (0.26)                                  | (0.56)                             | (0.56)                  | (0.56)  | (0.55)  | (0.64)               |
| Net asset value, end of period                     | \$ 4.84                                 | \$ 5.04                            | \$ 6.17                 | \$ 6.00 | \$ 6.28 | \$ 6.10              |
| Market price, end of period                        | \$ 4.33                                 | \$ 4.91                            | \$ 6.53                 | \$ 5.88 | \$ 6.21 | \$ 6.11              |
| <b>Total Investment Return<sup>2</sup></b>         |   |                                    |                         |         |         |                      |

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|                          |                      |          |        |       |        |        |
|--------------------------|----------------------|----------|--------|-------|--------|--------|
| Based on net asset value | 1.41% <sup>3</sup>   | (9.76)%  | 12.82% | 5.07% | 12.88% | 41.49% |
| Based on market price    | (6.88)% <sup>3</sup> | (16.94)% | 21.84% | 4.13% | 11.44% | 25.34% |

**Ratios to Average Net Assets**

|  |                    |       |       |       |       |        |
|--|--------------------|-------|-------|-------|-------|--------|
| Total expenses, excluding interest expense | 0.91% <sup>4</sup> | 0.86% | 0.90% | 0.91% | 0.91% | 0.90%  |
| Total expenses                             | 2.09% <sup>4</sup> | 2.70% | 3.03% | 2.39% | 1.69% | 1.42%  |
| Net investment income                      | 8.91% <sup>4</sup> | 9.16% | 9.42% | 9.23% | 9.28% | 11.23% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                  | \$ 273,248 | \$ 284,692 | \$ 347,449 | \$ 335,690 | \$ 349,791 | \$ 339,950 |
| Loan outstanding, end of period (000)            | \$ 99,500  | \$ 91,500  | \$ 132,000 | \$ 141,700 | \$ 147,500 | \$ 132,297 |
| Average loan outstanding during the period (000) | \$ 98,500  | \$ 109,978 | \$ 131,575 | \$ 128,461 | \$ 137,934 | \$ 112,037 |
| Portfolio turnover                               | 22%        | 48%        | 62%        | 48%        | 54%        | 64%        |
| Asset coverage, end of period per \$1,000        | \$ 3,746   | \$ 4,112   | \$ 3,632   | \$ 3,369   | \$ 3,371   | \$ 3,570   |

1 Based on average shares outstanding.

2 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

3 Aggregate total investment return.

4 Annualized.

See Notes to Financial Statements.

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**Notes to Financial Statements (Unaudited)**

**1. Significant Accounting Policies:**

BlackRock Floating Rate Income Strategies Fund II, Inc. ( Floating Rate Income II ) and BlackRock Senior High Income Fund, Inc. ( Senior High Income ) (the Funds or individually as the Fund ) are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as diversified and non-diversified, respectively, closed-end management investment companies. The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine and make available for publication the net asset value of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Funds:

**Valuation of Investments:** The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services selected under the supervision of the Funds Board of Directors (the Board ). Floating rate loan interests are valued at the mean between the last available 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 based on valuation technology commonly employed in the market for such investments. Swap agreements are valued by quoted fair values received daily by the Funds pricing service or through brokers. Short term securities are valued at amortized cost. Investments in open-end investment companies are valued at net asset value each business day.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System 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 price. If no bid 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.

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 options are valued by an independent

pricing service using a mathematical model which incorporates a number of market data factors.

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, the investment will be valued by a method approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the investment advisor and/or sub-advisor seeks to determine the price that the Funds 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 securities is substantially completed each day at various times prior to the close of business on the New York Stock Exchange ( NYSE ). The values of such securities used in computing the net assets of each Fund are determined as of such times. Foreign currency exchange rates will be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of each Fund 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 securities, those securities will be valued at their fair value as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board.

**Derivative Financial Instruments:** The Funds may engage in various portfolio investment strategies both to increase the returns of the Funds and to hedge, or protect, their exposure to interest rate movements and movements in the securities markets. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying security, or if the counterparty does not perform under the contract.

**Foreign currency exchange contracts** The Funds may enter into foreign currency exchange contracts as a hedge against either specific transactions or portfolio positions. Foreign currency exchange contracts, when used by the Funds, help to manage the overall exposure to the foreign currency backing some of the investments held by the Funds. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed.

**Options** The Funds may purchase and write call and put options. When the Funds write an option, an amount equal to the premium received by the Funds is reflected as an asset and an equivalent lia-

bility. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis

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## Notes to Financial Statements (continued)

of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium received or paid).

A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period.

**Swaps** Each Fund may enter into swap agreements, in which the Funds and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Gains or losses are realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any.

**Credit default swaps** Credit default swaps are agreements in which one party pays fixed periodic payments to a counterparty in consideration for a guarantee from the counterparty to make a specific payment should a negative credit event take place.

**Foreign Currency Transactions:** Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities,

income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Each Fund reports foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

**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 can have a rating that is slightly below that of the issuing company's senior debt securities.

**Floating Rate Loans:** The Funds invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions and privately and publicly offered corporations. Floating rate loans are senior in the debt structure of a corporation. Floating rate loans generally pay interest at rates that are periodically redetermined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more U.S. banks or (iii) the certificate of deposit rate. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

Each Fund earns and/or pays facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent, commissions and prepayment penalty fees. Facility, amendment and consent fees are typically amortized as premium and/or accreted as discount over the term of the loan. Commitment, commission and various other fees are recognized on the accrual basis. Prepayment penalty fees are recorded as income or expense. When a Fund buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, a Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, a Fund may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by a Fund may include covenant waiver fees and covenant modification fees.

Each Fund 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 loans are usually freely callable at the issuer's option. The Fund may invest in such loans in the form of participations in loans ( Participations ) and assignments of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. Each Fund 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 Funds generally will have no right to enforce compliance by the borrower with the terms of

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## Notes to Financial Statements (continued)

the loan agreement relating to the loans, nor any rights of offset against the borrower, and a Fund may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds' investments in loan participation interests involve 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 Funds may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower.

**Preferred Stock:** The Funds 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.

**Segregation:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ( SEC ) require that the Funds segregate assets in connection with certain investments (e.g., foreign currency exchange contracts and swaps) or certain borrowings, the Funds will, consistent with certain interpretive letters issued by the SEC, designate on their books and records cash or other liquid debt securities having a market value at least equal to the amount that would otherwise be required to be physically segregated.

**Investment Transactions and Investment Income:** Investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security 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 Funds have determined the ex-dividend date. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

**Income Taxes:** It is each Fund's policy to comply with the requirements of the Internal Revenue Code 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. Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates.

The Funds file U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' U.S. federal tax returns remain open for the years ended February 28, 2005 through February 28, 2007. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

**Recent Accounting Pronouncements:** In March 2008, Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 ( FAS 161 ), was issued. FAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. In September 2008, FASB Staff Position No. 133-1 and FASB Interpretation No. 45-4 (the FSP ), Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161 was issued and is effective for fiscal years and

interim periods ending after November 15, 2008. The FSP amends FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in hybrid instruments. The FSP also clarifies the effective date of FAS 161, whereby disclosures required by FAS 161 are effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The impact on the Funds financial statement disclosures, if any, is currently being assessed.

**Deferred Compensation and BlackRock Closed-End Share Equivalent**

**Investment Plan:** Under the deferred compensation plan approved by each Fund's Board, non-interested Directors ( Independent Directors ) defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts have been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in the other BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets

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## Notes to Financial Statements (continued)

of the Funds. The Funds may, however, elect to invest in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability are included in other assets on the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Funds investments under the plan are included in income from affiliates on the Statements of Operations.

**Other:** Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro-rated among those funds on the basis of relative net assets or other appropriate methods.

### **2. Investment Advisory Agreement and Other Transactions with Affiliates:**

Each Fund entered into an Investment Advisory Agreement with

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BlackRock Advisors, LLC (the Advisor), an indirect, wholly owned subsidiary of BlackRock, Inc. to provide investment advisory and administration services. Merrill Lynch & Co., Inc. (Merrill Lynch) and The PNC Financial Services Group, Inc. are principal owners of BlackRock, Inc.

The Advisor is responsible for the management of the Funds portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Funds. For such services, Floating Rate Income II and Senior High Income pay the Advisor a monthly fee at an annual rate of 0.75% and 0.50%, respectively, of the Funds average daily net assets, plus the proceeds of any outstanding borrowings.

The Advisor has entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Advisor, under which the Advisor pays BFM, for services it provides, a monthly fee that is an annual percentage of the investment advisory fee paid by each Fund to the Advisor.

For the six months ended August 31, 2008, the Funds reimbursed the Advisor for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

|                         | <b>Reimbursement<br/>From Advisor</b> |
|-------------------------|---------------------------------------|
| Floating Rate Income II | \$1,344                               |
| Senior High Income      | \$1,922                               |

Pursuant to the terms of the custody agreement, custodian fees may be reduced by amounts calculated on uninvested cash balances (custody credits), which are shown on the Statements of Operations as fees paid indirectly.

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock, Inc. or its affiliates. The Funds reimburse the Advisor for compensation paid to the Funds Chief Compliance Officer.

### 3. Investments:

Purchases and sales (including paydowns) of investments, excluding short-term securities, for the six months ended August 31, 2008 were as follows:

|                         | <b>Total<br/>Purchases</b> | <b>Total<br/>Sales</b> |
|-------------------------|----------------------------|------------------------|
| Floating Rate Income II | \$58,576,115               | \$51,315,962           |
| Senior High Income      | \$84,844,411               | \$81,981,981           |

**Floating Rate Income II**

Transactions in call options written for the six months ended August 31, 2008 were as follows:

| <b>Call Options Written</b>                           | <b>Contracts</b> | <b>Premiums Received</b> |
|---|------------------|--------------------------|
| Outstanding call options written, beginning of period |                  |                          |
| Options written                                       | 2                | \$57,000                 |
| Options expired                                       | (2)              | (57,000)                 |
| Outstanding call options written, end of period       |                  |                          |

Transactions in put options written for the six months ended August 31, 2008 were as follows:

| <b>Put Options Written</b>                           | <b>Contracts</b> | <b>Premiums Received</b> |
|--|------------------|--------------------------|
| Outstanding put options written, beginning of period |                  |                          |
| Options written                                      | 2                | \$63,000                 |
| Options expired                                      | (2)              | (63,000)                 |
| Outstanding put options written, end of period       |                  |                          |

**Senior High Income**

Transactions in call options written for the six months ended August 31, 2008 were as follows:

| <b>Call Options Written</b>                           | <b>Contracts</b> | <b>Premiums Received</b> |
|---|------------------|--------------------------|
| Outstanding call options written, beginning of period |                  |                          |
| Options written                                       | 4                | \$114,000                |
| Options expired                                       | (4)              | (114,000)                |
| Outstanding call options written, end of period       |                  |                          |

Transactions in put options written for the six months ended August 31, 2008 were as follows:

| Put Options Written                                  | Contracts | Premiums Received |
|--|-----------|-------------------|
| Outstanding put options written, beginning of period |           |                   |
| Options written                                      | 4         | \$126,000         |
| Options expired                                      | (4)       | (126,000)         |
| Outstanding put options written, end of period       |           |                   |

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## Notes to Financial Statements (concluded)

### 4. Capital Share Transactions:

Each Fund is authorized to issue 200,000,000 shares, par value \$0.10 per share, all of which were initially classified as Common Shares. The Board is authorized, however, to classify and reclassify any unissued shares without approval of the holders of Common Shares.

At August 31, 2008, an affiliate of the Advisor owned 7,149 shares of Floating Rate Income II.

#### Floating Rate Income II

Shares issued and outstanding during the six months ended August 31, 2008 and during the year ended February 29, 2008 remained constant.

#### Senior High Income

Shares issued and outstanding during the six months ended August 31, 2008 and during the year ended increased by 13,837 and 159,689, respectively, as a result of dividend reinvestment.

### 5. Commitments:

The Funds may invest in floating rate loans. In connection with these investments, the Fund may, with its Advisor, also enter into unfunded corporate loans ( commitments ). Commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged.

In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of August 31, 2008, the Funds had the following unfunded loan commitments:

**Floating Rate Income II**

| <b>Borrower</b>                  | <b>Unfunded<br/>Commitment<br/>(000)</b> | <b>Value of<br/>Underlying<br/>Loans<br/>(000)</b> |
|----------------------------------|--|--|
| Community Health Systems, Inc    | \$ 120                                   | \$ 125   |
| Golden Nuggett, Inc              | \$ 151                                   | \$ 127   |
| Hologic, Inc                     | \$ 150                                   | \$ 150   |
| Spanish Broadcasting System, Inc | \$2,500                                  | \$2,473  |
| Vought Aircraft Industries, Inc  | \$1,000                                  | \$ 946   |

**Senior High Income**

| <b>Borrower</b>               | <b>Unfunded<br/>Commitment<br/>(000)</b> | <b>Value of<br/>Underlying<br/>Loans<br/>(000)</b> |
|-------------------------------|--|--|
| Community Health Systems, Inc | \$120                                    | \$124  |

**6. Short-Term Borrowings:**

On May 16, 2008, the Funds renewed their revolving credit and security agreement security agreement funded by a commercial paper asset

securitization program with Citicorp North America, Inc. ( Citicorp ) as Agent, certain secondary backstop lenders and certain asset securitization conduits, as lenders (the Lenders ). The agreement was renewed for one year and has a maximum limit of \$88,000,000 for Floating Rate Income II and \$148,000,000 for Senior High Income. Under the Citicorp program, the conduits will fund advances to each Fund through the issuance of highly rated commercial paper. Each Fund has granted a security interest in substantially all of its assets to, and in favor of, the Lenders as security for its obligations to the Lenders. The interest rate on each Fund s borrowings is based on the interest rate carried by the commercial paper plus a program fee. In addition, each Fund pays a liquidity

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fee to the secondary backstop lenders and the agent. These amounts are shown on the Statements of Operations as borrowing costs.

For the six months ended August 31, 2008, the daily weighted average interest rates were as follows:

|  | <b>Daily Weighted Average Interest Rate</b> |
|--|---|
| Floating Rate Income II Senior High Income | 3.41% 3.41%                                 |

**7. Capital Loss Carryforward:**

As of February 29, 2008, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration date:

| <b>Expires February 28,</b> | <b>Floating<br/>Rate<br/>Income II</b> | <b>Senior<br/>High<br/>Income</b> |
|-----------------------------|--|-----------------------------------|
| 2009                        |  | \$ 25,658,795                     |
| 2010                        |  | 54,958,583                        |
| 2011                        |  | 30,706,546                        |
| 2012                        |  | 22,345,071                        |
| 2014                        | \$ 203,838                             | 4,906,362                         |
| 2015                        | 1,315,945                              | 1,585,622                         |
| <b>Total</b>                | <b>\$1,519,783</b>                     | <b>\$140,160,979</b>              |

**8. Subsequent Events:**

Each Fund paid a net investment income dividend to holders of its Common Shares on September 30, 2008 to shareholders of record on September 15, 2008. The amount of the net investment income dividend per share was as follows:

|  | <b>Common Dividend Per Share</b> |
|--|----------------------------------|
| Floating Rate Income II Senior High Income | \$0.12335 \$0.04000              |

On September 15, 2008, Bank of America Corporation announced that it has agreed to acquire Merrill Lynch, one of the principal owners of BlackRock, Inc. The purchase has been approved by the directors of both companies. Subject to shareholder and regulatory approvals, the transaction is expected to close in the first quarter of 2009.

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## Disclosure of Investment Advisory Agreement and Subadvisory Agreement

The Board of Directors (collectively, the Board, the members of which are referred to as Directors ) of the BlackRock Floating Rate Income Strategies Fund II, Inc. ( FRB ) and BlackRock Senior High Income Fund, Inc. ( ARK, and together with FRB, the Funds ) met in April and May 2008 to consider approving the continuation of each Fund s investment advisory agreement (each, an Advisory Agreement ) with BlackRock Advisors, LLC (the Advisor ), each Fund s investment adviser. The Board also considered the approval of each Fund s subadvisory agreement (each, a Subadvisory Agreement and, together with the Advisory Agreement, the Agreements ) between the Advisor and BlackRock Financial Management, Inc. (the Subadvisor ). The Advisor and the Subadvisor are collectively referred to herein as the Advisors and, together with BlackRock, Inc., BlackRock.

### Activities and Composition of the Board

The Board of each Fund consists of thirteen individuals, eleven of whom are not interested persons of the Funds as defined in the Investment Company Act of 1940 (the 1940 Act ) (the Independent Directors ). The Directors are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Directors have retained independent legal counsel to assist them in connection with their duties. The Chairman of the Board is an Independent Director. The Board has established four standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee and a Performance Oversight Committee.

### Advisory Agreement and Subadvisory Agreement

Upon the consummation of the combination of BlackRock, Inc. s investment management business with Merrill Lynch & Co., Inc. s investment management business, including Merrill Lynch Investment Managers, L. ., and certain affiliates, each Fund entered into an Advisory Agreement and a Subadvisory Agreement, each with an initial two-year term. Consistent with the 1940 Act, after the Advisory Agreement s and Subadvisory Agreement s respective initial two-year term, the Board is required to consider the continuation of each Fund s Advisory Agreement and Subadvisory Agreement on an annual basis. In connection with this process, the Board assessed, among other things, the nature, scope and quality of the services provided to each Fund by the personnel of BlackRock and its affiliates, including investment advisory services, administrative services, secondary market support services, oversight of fund accounting and custody, and assistance in meeting legal and regulatory requirements. The Board also received and assessed information regarding the services provided to each Fund by certain unaffiliated

service providers.

Throughout the year, the Board also considered a range of information in connection with its oversight of the services provided by BlackRock and its affiliates. Among the matters the Board considered were: (a) investment performance for one-, three- and five-year periods, as applicable,

against peer funds, as well as senior management and portfolio managers' analysis of the reasons for underperformance, if applicable; (b) fees, including advisory, administration and other fees paid to BlackRock and its affiliates by each Fund, as applicable; (c) Fund operating expenses paid to third parties; (d) the resources devoted to and compliance reports relating to each Fund's investment objective, policies and restrictions; (e) each Fund's compliance with its Code of Ethics and compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock's and other service providers' internal controls; (h) BlackRock's implementation of the proxy voting guidelines approved by the Board; (i) execution quality; (j) valuation and liquidity procedures; and (k) reviews of BlackRock's business, including BlackRock's response to the increasing scale of its business.

#### **Board Considerations in Approving the Advisory Agreement and Subadvisory Agreement**

To assist the Board in its evaluation of the Agreements, the Directors received information from BlackRock in advance of the April 22, 2008 meeting which detailed, among other things, the organization, business lines and capabilities of the Advisors, including: (a) the responsibilities of various departments and key personnel and biographical information relating to key personnel; (b) financial statements for BlackRock; (c) the advisory and/or administrative fees paid by each Fund to the Advisors, including comparisons, compiled by Lipper Inc. (Lipper), an independent third party, with the management fees, which include advisory and administration fees, of funds with similar investment objectives (Peers); (d) the profitability of BlackRock and certain industry profitability analyses for advisers to registered investment companies; (e) the expenses of BlackRock in providing various services; (f) non-investment advisory reimbursements, if applicable, and fallout benefits to BlackRock; (g) economies of scale, if any, generated through the Advisors' management of all of the BlackRock closed-end funds (the Fund Complex); (h) the expenses of each Fund, including comparisons of each such Fund's expense ratios (both before and after any fee waivers) with the expense ratios of its Peers; (i) an internal comparison of management fees classified by Lipper, if applicable; and (j) each Fund's performance for the past one-, three- and five-year periods, as applicable, as well as each Fund's performance compared to its Peers.

The Board also considered other matters it deemed important to the approval process, where applicable, such as payments made to

BlackRock or its affiliates relating to the distribution of Fund shares, services related to the valuation and pricing of Fund portfolio holdings, and direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds.

In addition to the foregoing materials, independent legal counsel to the Independent Directors provided a legal memorandum outlining, among other things, the duties of the Board under the 1940 Act, as well as the

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## Disclosure of Investment Advisory Agreement and Subadvisory Agreement (continued)

general principles of relevant law in reviewing and approving advisory contracts, the requirements of the 1940 Act in such matters, an adviser's fiduciary duty with respect to advisory agreements and compensation, and the standards used by courts in determining whether investment company boards of directors have fulfilled their duties and the factors to be considered by boards in voting on advisory agreements.

The Independent Directors reviewed this information and discussed it with independent legal counsel prior to the meeting on April 22, 2008. At the Board meeting on April 22, 2008, BlackRock made a presentation to and responded to questions from the Board. Following the meeting on April 22, 2008, the Board presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written materials provided to the Directors prior to the meetings on May 29 and 30, 2008. At the Board meetings on May 29 and 30, 2008, BlackRock responded to further questions from the Board. In connection with BlackRock's presentations, the Board considered each Agreement and, in consultation with independent legal counsel, reviewed the factors set out in judicial decisions and Securities and Exchange Commission (SEC) statements relating to the renewal of the Agreements.

### **Matters Considered by the Board**

In connection with its deliberations with respect to the Agreements, the Board considered all factors it believed relevant with respect to each Fund, including the following: the nature, extent and quality of the services provided by the Advisors; the investment performance of each Fund; the costs of the services to be provided and profits to be realized by the Advisors and their affiliates from their relationship with the Funds; the extent to which economies of scale would be realized as the Fund Complex grows; and whether BlackRock realizes other benefits from its relationship with the Funds.

**A. Nature, Extent and Quality of the Services:** In evaluating the nature, extent and quality of the Advisors' services, the Board reviewed information concerning the types of services that the Advisors provide and are expected to provide to each Fund, narrative and statistical information concerning each Fund's performance record and how such performance compares to each Fund's Peers, information describing BlackRock's organization and its various departments, the experience and responsibilities of key personnel and available resources. The Board noted the willingness of the personnel of BlackRock to engage in open, candid discussions with the Board. The Board further considered the quality of the Advisors' investment process in making portfolio management decisions.

In addition to advisory services, the Directors considered the quality of the administrative and non-investment advisory services provided to the Funds. The Advisors and their affiliates provided each Fund with such administrative and other services, as applicable (in addition to any such services provided by others for the Funds), and officers and other personnel as are necessary for the operations of the respective Fund. In

addition to investment management services, the Advisors and their affiliates provided each Fund with services such as: preparing shareholder reports and communications, including annual and semi-annual financial statements and the Funds' websites; communications with analysts to support secondary market trading; assisting with daily accounting and pricing; preparing periodic filings with regulators and stock exchanges; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal and compliance support (such as helping to prepare proxy statements and responding to regulatory inquiries); and performing other Fund administrative tasks necessary for the operation of the respective Fund (such as tax reporting and fulfilling regulatory filing requirements). The Board considered the Advisors' policies and procedures for assuring compliance with applicable laws and regulations.

**B. The Investment Performance of the Funds and BlackRock:** As previously noted, the Board received performance information regarding each Fund and its Peers. Among other things, the Board received materials reflecting each Fund's historic performance and each Fund's one-, three- and five-year total returns (as applicable) relative to its Peers (including the Peers' median performance). The Board was provided with a description of the methodology used by Lipper to select each Fund's Peers. The Board noted that it regularly reviews the performance of each Fund throughout the year. The Board reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper rankings.

The Board noted that in general FRB performed better than its Peers in that its performance was at or above the median of its Peers in at least

two of the one-year, three-year and since inception periods reported.

The Board noted that in general ARK performed better than its Peers in that its performance was at or above the median of its Peers in at least two of the one-, three- and five-year periods reported.

**C. Consideration of the Advisory Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds:** In evaluating the management fees and expenses that each Fund is expected to bear, the Board considered each Fund's current management fee structure and each Fund's expense ratios in absolute terms as well as relative to the fees and expense ratios of its applicable Peers. The Board, among other things, reviewed comparisons of each Fund's gross management fees before and after any applicable reimbursements and fee waivers and total expense ratios before and after any applicable waivers with those of applicable Peers. The Board also reviewed a narrative analysis of the Peer rankings prepared by Lipper and summarized by BlackRock at the request of the Board. This summary placed the Peer rankings into context by analyzing various factors that affect these comparisons.

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## Disclosure of Investment Advisory Agreement and Subadvisory Agreement (concluded)

The Board noted that the Funds paid contractual management fees lower than or equal to the median contractual fees paid by each Fund's respective Peers. This comparison was made without giving effect to any expense reimbursements or fee waivers.

The Board also compared the management fees charged and services provided by the Advisors to closed-end funds in general versus other types of clients (such as open-end investment companies and separately managed institutional accounts) in similar investment categories. The Board noted certain differences in services provided and costs incurred by the Advisor with respect to closed-end funds compared to these other types of clients and the reasons for such differences.

In connection with the Board's consideration of the fees and expense information, the Board reviewed the considerable investment management experience of the Advisors and considered the high level of investment management, administrative and other services provided by the Advisors.

**D. Profitability of BlackRock:** The Board also considered BlackRock's profitability in conjunction with its review of fees. The Board reviewed BlackRock's profitability with respect to the Fund Complex and other fund complexes managed by the Advisors. In reviewing profitability, the Board recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. The Board also reviewed BlackRock's assumptions and methodology of allocating expenses, noting the inherent limitations in allocating costs among various advisory products. The Board also recognized that individual fund or product line profitability of other advisors is generally not publicly available.

The Board recognized that profitability may be affected by numerous factors including, among other things, the types of funds managed, expense allocations and business mix, and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Board considered BlackRock's operating margin compared to the operating margin estimated by BlackRock for a leading investment management firm whose operations consist primarily of advising closed-end funds. The comparison indicated that BlackRock's operating margin was approximately the same as the operating margin of such firm.

In evaluating the reasonableness of the Advisors' compensation, the Board also considered any other revenues paid to the Advisors, including partial reimbursements paid to the Advisors for certain non-investment advisory services, if applicable. The Board noted that these payments were less than the Advisors' costs for providing these services. The Board also considered indirect benefits (such as soft dollar arrangements) that the Advisors and their affiliates are expected to receive, which are attributable to their management of the Fund.

**E. Economies of Scale:** In reviewing each Fund's fees and expenses, the Board examined the potential benefits of economies of scale, and whether any economies of scale should be reflected in the Fund's fee structure, for example through the use of breakpoints for the Fund or the Fund Complex. In this regard, the Board reviewed information provided by BlackRock, noting that most closed-end fund complexes do not have fund-level breakpoints because closed-end funds generally do not experience substantial growth after their initial public offering and each fund is managed independently consistent with its own investment objectives. The Board noted that only three closed-end funds in the Fund Complex have breakpoints in their fee structures. Information provided by Lipper also revealed that only one closed-end fund complex used a complex-level breakpoint structure. The Board found, based on its review of comparable funds, that each Fund's management fee is appropriate in light of the scale of the respective Fund.

**F. Other Factors:** In evaluating fees, the Board also considered indirect benefits or profits the Advisors or their affiliates may receive as a result of their relationships with the Funds ( "fall-out benefits" ). The Directors,

including the Independent Directors, considered the intangible benefits that accrue to the Advisors and their affiliates by virtue of their relationships with the Funds, including potential benefits accruing to the Advisors and their affiliates as a result of participating in offerings of the Funds' shares, potentially stronger relationships with members of the broker-dealer community, increased name recognition of the Advisors and their affiliates, enhanced sales of other investment funds and products sponsored by the Advisors and their affiliates and increased assets under management which may increase the benefits realized by the Advisors from soft dollar arrangements with broker-dealers. The Board also considered the unquantifiable nature of these potential benefits.

### **Conclusion with Respect to the Agreements**

In reviewing and approving the continuation of the Agreements, the Directors did not identify any single factor discussed above as all-important or controlling, but considered all factors together, and different Directors may have attributed different weights to the various factors considered. The Independent Directors were also assisted by the advice of independent legal counsel in making this determination. The Directors, including the Independent Directors, unanimously determined that each of the factors described above, in light of all the other factors and all of the facts and circumstances applicable to each respective Fund, was acceptable for each Fund and supported the Directors' conclusion that the terms of each Agreement were fair and reasonable, that each Fund's fees are reasonable in light of the services provided to the respective Fund and that each Agreement should be approved.

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## **Officers and Directors**

Richard E. Cavanagh, Chairman of the Board and Director  
Karen . Robards, Vice Chair of the Board, Chair of the  
Audit Committee and Director  
G. Nicholas Beckwith, III, Director  
Richard S. Davis, Director  
Kent Dixon, Director  
Frank J. Fabozzi, Director  
Kathleen F. Feldstein, Director  
James T. Flynn, Director  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director  
Robert S. Salomon, Jr., Director  
Donald C. Burke, Fund President and Chief Executive Officer

Anne F. Ackerley, Vice President  
Neal J. Andrews, Chief Financial Officer  
Jay M. Fife, Treasurer  
Brian . Kindelan, Chief Compliance Officer of the Funds  
Howard B. Surloff, Secretary

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

**Custodian Transfer Agent**

State Street Bank and Computershare Trust  
Trust Co. Company N.A.  
Boston, MA 02101 Providence, RI 02940

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

**Custodian Transfer Agent**

The Bank of New York Mellon BNY Mellon Shareowner Services  
New York, NY 10286 Jersey City, NJ 07310

**For All Funds:**

**Accounting Agent**

State Street Bank and  
Trust Company  
Princeton, NJ 08540

**Independent Registered Public  
Accounting Firm**

Deloitte & Touche LLP  
Princeton, NJ 08540

**Legal Counsel**

Skadden, Arps, Slate,  
Meagher & Flom LLP  
New York, NY 10036

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## Additional Information

### General Information

The Funds 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 it is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be *household*ed 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

contact each Fund at (800) 441-7762.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website into this report.

#### **Availability of Quarterly Schedule of Investments**

The Funds file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Funds' Forms N-Q may also be reviewed and copied at the SEC's

Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

#### **Electronic Delivery**

Electronic copies of most financial reports are available on the Funds website. Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports and prospectuses by enrolling in the Funds' electronic delivery program.

#### **Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:**

Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

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AUGUST 31, 2008

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#### **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 the shareholders only. It is not a prospectus. The Funds leverage their Common Shares, which creates risk for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free (800) 441-7762; (2) at [www.blackrock.com](http://www.blackrock.com); and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>. Information about how the Fund voted proxies relating to securities held in the Funds portfolio during

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the most recent 12-month period ended June 30 is available upon request and without charge (1) at [www.blackrock.com](http://www.blackrock.com) or by calling (800) 441-7762 and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

BlackRock Floating Rate Income Strategies Fund II, Inc.

BlackRock Senior High Income Fund, Inc.

100 Bellevue Parkway

Wilmington, DE 19809

#FRIS2SHI-8/08

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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 Not Applicable to this semi-annual report

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 The registrant's Nominating and Governance Committee will consider nominees to the board of directors recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations that include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 Controls and Procedures

11(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

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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.

11(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

12(a)(1) Code of Ethics Not Applicable to this semi-annual report

12(a)(2) Certifications Attached hereto

12(a)(3) Not Applicable

12(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 Senior High Income Fund, Inc.

By: /s/ Donald C. Burke

Donald C. Burke

Chief Executive Officer of

BlackRock Senior High Income Fund, Inc.

Date: October 20, 2008

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/ Donald C. Burke

Donald C. Burke

Chief Executive Officer (principal executive officer) of

BlackRock Senior High Income Fund, Inc.

Date: October 20, 2008

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Senior High Income Fund, Inc.

Date: October 20, 2008

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